VOLUME 8
NUMBER 2
AUGUST 2008

global social policy

ISSN 1468-0181
http://gsp.sagepub.com

Founded in 2001 by Bob Deacon

Global Social Policy: An Interdisciplinary Journal of Public Policy and Social Development
(ISSN: 1468-0181 Print, 1741-2803 Online) is published in April, August and December by SAGE (Los Angeles, London, New Delhi and Singapore).

Annual Subscription (2008, 3 issues): Individual Rate (print only) £43/US$77; Combined Institutional Rate (print and electronic) £280/US$504. Electronic only and print only subscriptions are available for institutions at a discounted rate. Note VAT may be applicable at the appropriate local rate. Visit www.sagepublications.com for more details.

To access your electronic subscription (institutional only) simply visit http://online.sagepub.com and activate your subscription. Abstracts, table of contents and contents alerts are available on this site free of charge for all.

Special rates are available for students. Apply to Marketing Department at SAGE London address.

Further subscription and advertising details are available from: SAGE, 1 Oliver's Yard, 55 City Road, London EC1Y 1SP, UK; and in North America from SAGE, PO Box 5096, Thousand Oaks, CA 91359, USA.

Global Social Policy (ISSN printed version 1468-0181; ISSN Online Version 1741-2803).

Cover and text design by Malcolm Harvey Young incorporating globe designed by Mika Muukkonen. Typeset by C&M Digitals Ltd, India.

Printed on acid-free paper (conforming to ANSI z39.48-1984) by Bell & Bain Ltd, Glasgow, UK.

SAGE is a member of CrossRef.

Contents

VOLUME 8 NUMBER 2 AUGUST 2008

Personal copy
JW
18/8/08

Global Social Policy is abstracted and indexed in *Academic Search, Business Source, Cumulative Index to Nursing and Allied Health Literature* (CINAHL); *EconLit, eJEL, Family Index Database, Geo Abstracts: Human Geography, International Bibliography of the Social Sciences, International Political Science Abstracts, Journal of Economic Literature* (JEL) *and JEL on CD, Journal of Social Work Practice, Masterfile full NET* and *Sociological Abstracts.*

Global Social Policy Forum

Introduction: Reclaiming Primary Health Care – Why Does Alma Ata Still Matter? Or Can We Still Speak of the Relevance of Alma Ata?

MERI KOIVUSALO
Globalism and Social Policy Program (GASPP), Finland
RAMA BARU
Jawaharlal Nehru University, India

The last three decades have seen far reaching changes in health service systems across the globe. Rampant commercialization and health sector reforms have reshaped health services and have adversely affected the principles of equity and universality. There is growing evidence of increasing inequalities within and across countries in terms of health status and access to health services. This has contributed to the re-emergence of interest and focus on a primary health care approach that was articulated 30 years ago. Although the strategy was reversed by the selective primary health care approach, the idea has continued to be important both as a concept and a design for health systems. The Alma Ata declaration has thus provided a basis for the mobilization of peoples' health movements that have been actively contesting the growing inequalities in health. In recent meetings on primary health care in Argentina in 2007 and in the context of development of primary health care in Africa there is a growing recognition of the importance of the primary health care approach for national health systems.

This forum brings together the voices of two generations of public health researchers and activists. These include those who were involved with agenda setting and the process of conceptualizing and designing the primary health care approach, and also those who have kept the idea alive in the networks from both the North and the South. We are pleased to have contributors Professor Debabar Banerji from India and Professor Vicente Navarro bring a critical perspective on the priorities and processes of the last 30 years. They recount the process that led to Alma Ata, and also analyse the politics of its

Global Social Policy Copyright © 2008 1468-0181 vol. 8(2): 147–166; 090611
SAGE Publications (Los Angeles, London, New Delhi and Singapore)
DOI: 10.1177/1468018108090611 http://gsp.sagepub.com

reversal and provide important insights on the politics and background of the 30 year process.

We might wish to ask if the Alma Ata declaration and consequently Health for All and primary health care have ever been just 'any strategies or any principles' and recognize how in spite of the neglect and ignorance by key actors such as the World Health Organization for almost two decades, primary health care and Health for All seem to remain on the global agenda. As Andrew Green argues, the broad principles that underpin the declaration are universal both in time and space, even though the values may not be universally shared. He reminds us sharply of this, as does Thelma Narayan in addressing how in 2000, with the World Health day theme on Safe Blood, any global commitments made were quietly set aside with emphasis on global public–private initiatives and Millennium Development Goals (MDGs).

Rebecca Hope, with Brian Nicholson and David Baguley, Abhay Shukla and Thelma Narayan have engaged with policy dialogue, people's health movements and research by keeping the idea of primary health care central. Abhay Shukla has focused on the history and politics of Alma Ata and its importance in a globalized world. Thelma Narayan vividly highlights the role of various movements that have influenced Alma Ata and those that are influenced by it.

We need to recognize, however, that so far the idea of Health For All (HFA) has remained largely peripheral to dominant policy discourses at the global level. This is an issue that has been commented on by all the contributors. Andrew Green discusses this aspect effectively when he examines the scope of HFA in the current context of global politics, wherein the selective approach to primary health has been the dominant paradigm. Recent policy developments like the MDGs tend to focus on discreet outcomes rather than on broader aspects of development, and in terms of health, cover only those that are of importance to HIV/AIDS, under five mortality and maternal mortality.

However, we hope the anniversary of Alma Ata is no longer just a memorial to the values and priorities of 30 years ago, but perhaps can also be a recognition of the relevance of these values and principles in a longer struggle for the core principles of equity and universality in health policies across the globe.

BIOGRAPHICAL NOTES

MERI KOIVUSALO is Senior Researcher at the Finnish National Research and Development Centre for Welfare and Health (STAKES) programme on Globalism and Social Policy (GASPP). Please address correpondence to Meri Koivusalo, PO Box 220, Helsinki, Finland, FIN-00531. [email: meri.koivusalo@stakes.fi]

RAMA BARU is Associate Professor at the Centre of Social Medicine and Community Health, Jawaharlal Nehru University, New Delhi. Please address correspondence to Rama V. Baru, Centre of Social Medicine and Community Health, Jawaharlal Nehru University, New Delhi 110067, India. [email: rbaru2002@yahoo.co.uk]

The World Health Organization's Decennial Ritual of 'Remembering' the Alma Ata Declaration

DEBABAR BANERJI
Jawaharlal Nehru University, India

The concept of Primary Health Care (PHC) marked a watershed in the discipline of public health. It had virtually turned the discipline upside down, as it were: technology and administrative practices were subordinated to the needs of the people. Halfdan Mahler, the then Director-General of the World Health Organization (WHO), had rightly labelled it as a revolution.

The Declaration had asserted that Primary Health Care (PHC) 'is essential health care based on practical, scientifically sound and socially acceptable methods and technology universally made accessible to individuals and families in the community through their full participation and at a cost the community and the country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination. It forms an integral part of a country's health system, of which it is the central function and main focus, and of the overall social and economic development of the country. It is the first level of contact of individuals, family and the community with the national health system, bringing health care as close as possible to where people live and work and constitutes the first of the continuing health care process.' It is a superb piece of abstraction of the manyfold characteristics of PHC; almost every phrase, if not word, carries profound meaning, never before attained by any single document of public health. The Alma Ata Conference had asserted that Primary Health Care was the 'key to attaining' the target of health for all by the year 2000 (HFA-2000/PHC).

Primary health care reflects and evolved from economic conditions and sociocultural and political characteristics of a country and its communities. It may be emphasized that PHC is a *process*. It provides a road map for developing health service for all the countries in the world, from the richest to the poorest. Even the most rudimentary forms of home remedies or use of a village bone-setter could form the starting point for the development of PHC.

The Alma Ata Declaration is an outcome of considerable political churnings among the countries of the world that was backed by some profound public health scholarship. Overthrow of colonial rule and rising aspirations of the liberated people – the first steps in initiation of democratic forms of government in some of the newly independent countries – initiation of the cold war, and formation of the Non Aligned Movement (NAM), have been some of the major factors which contributed to creation of conditions that tended to impel the new rulers in these countries and the newly formed international organizations to pay attention to some of the urgent problems facing them. International organizations such as WHO and UNICEF and many bilateral

agencies came forward to contribute to improvement of the health status of the people in the needy countries. Availability of the so-called silver bullets tempted these organizations to launch special 'vertical' or 'categorical' programmes against some of the major scourges of the 1950s. It took them quite some time to realize that these vertical programmes were not only very expensive but they also failed to yield the expected results.

This impelled WHO to shift to advocating integration of health services, then promotion of basic health services, then going to individual countries to promote country health planning and later, to actually work with the authorities in country health programming. In the mid-1970s WHO got together with the World Bank to link health activities with poverty reduction programmes. Reference to the term 'primary health care' is made in the Director-General's report to the 53rd meeting of the WHO Executive Board as early as in January 1975.

Early moves in the world's most populated countries, India and China, had made substantial contributions to the development of the concept of PHC. Only some highlights are considered sufficient to illustrate how the fledgling democratic forces exerted pressure on the rudimentary set up during the British days, to provide much wider and better services to the population of the country. Social and political churning of the anti-colonial struggle led, among other major events, to the establishment of the National Health Sub-committee of the National Planning Committee, which, in 1938, recommended that people chosen from villages be given some basic training to enhance the capacity of villagers to cope with their health problems themselves – 'people's health in people's hands'. The pro-people ambience on the eve of independence and the pressure for post-war reconstruction led the British Indian Government to set up the Health Survey and Development (Bhore) Committee in 1943.

After Independence, the 'political soil' had dramatically changed because of change in the power structure in the country. Those who wielded political power belonged to a thin upper crust of the population – the elite class. However, despite considerable difficulties and shortcomings, India could develop an endogenous, alternative body of knowledge that was more suited to the social, cultural, economic and epidemiological conditions prevailing in the country. This led to the emergence of an alternative approach to education, practice and research in public health. Setting up a nationwide network of Primary Health Centres, giving a social orientation to medical education, rapid expansion of pivotal public health institutions for education, research and training of health workers, formulating some nationally applicable, socially acceptable and epidemiologically effective national programmes, culminated in an effort in 1977 to entrust 'people's health in people's hands', by training villagers selected by every 1000 of the population as Community Health Volunteers and by training one Traditional Birth Attendant for a similar population. By 1978, India thus came quite close to the concept of PHC

that was adopted at Alma Ata – commitment of governments to health as a right; primacy to expressed health needs; community self-reliance and community involvement; inter-sectoral action in health; integration of health services; coverage of the entire population; choice of appropriate technology; services provided free of cost.

In the aftermath of the Chinese Revolution, that country too introduced some fundamental innovations in their health services. Positioning of 'Barefoot Doctors' and extensive use of their traditional system of medicine were examples.

However, there were exponential changes in the power equations between and within the countries of the world from the early 1980s. The responses of the rich countries to the proposed declaration of self-reliance and self-determination by the poor people of the world at Alma Ata were swift and sharp. They contended that most of the developing countries were too poor to undertake what they called 'comprehensive primary health care'. The alternative suggested by them in 1979 was called the approach of Selective Primary Health Care (SPHC), with virtually no scientific evidence. An active effort was made to 'wash out' the ideas generated by the Declaration to make 'space' for a patently unscientific agenda for health for the poor countries of the world. Vicente Navarro has rightly called this 'intellectual fascism'. The 'above down' approach to public health was once again brought back, with people once again becoming hapless recipients of pre-fabricated, market driven, techno-centric and scientifically untenable programmes imposed on them by international agencies, with full support from many of the rich countries. The rich countries mobilized the enormous resources of organizations such as the WHO, UNICEF and the World Bank to promote their agenda of SPHC. Substituting scientific reasoning and well-researched conclusions for use of brute political power, the syndicate let loose a virtual torrent of what they called International Initiatives on the poor countries. Despite massive investment into these programmes on a global scale, running into billions of US dollars, they have fallen far short of the forecasts made about their achievements at the time of their launching. In the bargain, they inflicted further damage to the already battered general health services of the Member States, particularly those of the very poor countries.

The Czech author Milan Kundera had rightly observed, 'Man's struggle against oppression is a struggle between memory and forgetfulness'. There is an element of Kunderain forgetfulness in the WHO and in the rich countries about the Alma Ata Declaration. The element of forgetfulness of so momentous an event in public health is manifested by the decennial ritual of remembering that event in WHO and other international health organizations. It is a ritual because it does not lead to any change in policies, which are antitheses of what are enshrined in the Declaration.

BIOGRAPHICAL NOTE

DEBABAR BANERJI is Professor Emeritus at Jawaharlal Nehru University. Please address correspondence to Debabar Banerji, B-43 Panchsheel Enclave, New Delhi 110017, India. [email: nhpp@airtelmail.in]

Neoliberalism and its Consequences: The World Health Situation Since Alma Ata

VICENTE NAVARRO
Johns Hopkins University, USA and Pompeu Fabra University, Barcelona

The work of international agencies such as the World Health Organization (WHO, as well as other UN agencies) is very much determined by the distribution of power in the world. It is well known that the governments of some countries have more power in today's world than others. And, it is also well known that within each country some social classes, as well as some races or one gender, have more power than others. The implications of this reality for WHO have rarely been studied even though these country, class, race and gender power differentials shape in large degree the reports and documents made public by this international agency. Examples of this situation are many, and one of the best known is the Alma Ata Report. When that document was approved by the WHO Assembly, back in 1978, there were several power blocks in the world (the First, the Second and the Third Worlds) competing among themselves for power and influence in WHO. It was also at that time that we witnessed great social agitation – not only in the developed, but also in developing countries – agitation that started in the middle 1960s and continued during the 1970s. It was indeed a period of agitation, creativity and exploration. No taboo was left untouched. Not even the dogmas that were reproduced in the House of Medicine. The hospital-centric biological model was indeed challenged all over the world. And a new alternative model was developed that materialized in the Alma Ata Report. The ideological basis that sustained that report was Primary Health Care, based on not only medical, but also social interventions governed by the communities and by the citizenry. Needless to say, it was a moderate step, but at least it was a step in the right direction. Some of us were critical. I wrote a critique of Alma Ata, side-by-side with a critique of another important report at that time, the Willy Brandt Report (Navarro, 1984). As the young people we were, we wanted more and felt frustrated that the movement forward was going so slowly. But at least, I repeat, it was in the right direction.

The world since then has changed dramatically. And it has become almost a monopolar world. The US establishment has become the dominant power all over the world, not only because of military force, but more importantly, because of the dominance of its ideology – neoliberalism – which is also being reproduced in WHO. This ideology claims that: (1) the state (or what is

wrongly referred to as government) is part of the problem rather than the solution and needs to be reduced; (2) labor and financial markets need to be deregulated in order to liberate what is defined as 'the enormous creativity of the markets'; and, (3) commerce and investments need to be stimulated by eliminating borders and barriers to allow the full mobility of labor, capital, goods and services. The translation of this ideology in the health sector meant: (1) a decline of public expenditures in health care; (2) a privatization of health care services; (3) the impoverishing, when not the dismantling of public health infrastructures; (4) full mobility of health professionals primarily from developing to developed countries; (5) full mobility of medical equipment and drugs from developed to developing countries, without protection of the populations and regulation of those products – social dumping has become the name of the game; and, (6) full recovery of the biological and behavioral centric view of medicine, with the biotech industry becoming the seventh financial wonder of the world. This ideology appears also in the new terminology used in health policy circles. Patients become clients; planning disappears and is substituted by terms such as markets and competition. And in more than one country, national health services have been dismantled and replaced by commercial health insurance. This is what has been happening in the world for over 30 years now.

The outcome of these policies on the health and quality of life has been extremely negative, as we have documented in my recent collection *Neoliberalism, Globalization and Inequalities: Consequences for Health and Quality of Life* (Navarro, 2007). Continent by continent (Latin America, Africa, Asia, Europe or North America) the damage created by those neoliberal policies is large. The evidence is there for all to see. And as we show, WHO bears an enormous responsibility for that situation (see Navarro, 2000).

Meanwhile, an alternative movement – the anti-globalization movement – has appeared. First in Seattle, USA, second in Porto Allegre, Brazil, and then in many other parts of the world that claim that 'another world is possible'. And while they are right, I question whether the way they go about it will ever achieve that world. Some of the assumptions that are made in this movement are questionable. One of them considers the new world order as dominated by multinational corporations that have supplanted the states as the primary focus of power. This assumption, however, ignores that there are no multinational corporations, owned by several nations: rather, they are transnational corporations based in one country and distributed all over the world. The US insurance companies (like Humana) or the US drug industries are based in the USA and the German drug industry is based in Germany. And you cannot understand their production and distribution and international behavior without understanding the relationship between these companies and the states in which they are based. The states continue to be the centers of action. Actually, if the states were irrelevant, as some theorists of the anti-globalization movement claim, then we would have difficulties in understanding why the so-called multinationals are spending millions of

dollars (or any other local currency) to influence state politicians. The states, however, are not mere instruments of economic elites. They are subject to all type of influences from different actors, besides these economic interests. The societies in which those states operate are divided into classes, races, genders, and other power groups. These actors have different degrees of influence on the state.

This reality is critical to understanding the promotion and reproduction of neoliberalism. Indeed, the primary conflict in the world today is not, as is frequently said, between the North (rich countries) and the South (poor countries). Both the North and the South have social classes. It was not the USA that imposed Pinochet on Chile. I was advisor to President Allende and can testify that the primary actors of the coup were Chileans (the dominant class, the major employers, the bankers, the land owners, the Church, the liberal professional associations, the private doctors, the private health care companies, and so on). And, it was not the USA, but rather the US federal government, led by President Nixon (who was extremely unpopular in the USA having sent the Army to put down the coal miner strikes in Appalachia, the coal mining region of the USA), that supported that coup. The USA is not a country with 220m imperialists. The working class of the USA is one of the first victims of the dominant class of that country. It is the only working class in the developed world without right-of-access to health care in time of need (see the film *Sicko* by Michael Moore). Neoliberalism could not have been expanded had it not been for the alliance of the dominant classes of the rich countries with those of the so-called 'poor' countries. There are no poor countries in the world. But there are a lot of countries with a lot of very poor people. And 20% of the richest people in the world live in so-called poor countries. The dominant classes of the so-called poor countries benefit from the neoliberal policies. The promotion of neoliberalism in the health sector is supported not only by the dominant classes of the North, but also by the dominant classes of the South. The active promotion of the privatization of health care, the aggressive sale of private insurance, the support of the biomedical hospital-centric model of medicine, and many other neoliberal health policies are supported by the dominant classes of the North and of the South.

This is why, to establish an alternative model, we have to recover our sense of history, showing that other alternatives (such as Alma Ata) are possible, based on an alliance of the dominated classes of both the developed and developing countries, which needs to link the local with the international struggles.

REFERENCES

Navarro, V. (1984) 'A Critique of the Ideological and Political Positions of the "Willy Brandt Report" and "The WHO Alma Ata Declaration"', *Social Science and Medicine* 18: 467–74.

Navarro, V. (2000) 'Assessment of the World Health Organization Report 2000', *The Lancet* 356(9241): 1598–1601.

Navarro, V. (2007) *Neoliberalism, Globalization and Inequalities: Consequences for Health and Quality of Life*. Amityville, NY: Baywood.

BIOGRAPHICAL NOTE

VICENTE NAVARRO is Professor of Health Policy at the Bloomberg School of Public Health, The Johns Hopkins University, and Professor of Political Sciences at Pompeu Fabra University. Please address correspondence to Vicente Navarro, Department of Health Policy and Management, The Johns Hopkins University, Bloomberg School of Public Health, 624 N. Broadway, Room 448, Baltimore, Maryland 21205, USA. [email:vnavarro@jhsph.edu]

Reflections on Alma Ata

ANDREW GREEN
Leeds University, UK

I started working in the international health field in the early 1970s and remember well the build up, and subsequent events related to Alma Ata. The Declaration made absolute sense to me and, though clearly idealistic, was seen by many as a genuine turning point in how health and development was viewed. Under the leadership of Halfdan Mahler, the World Health Organization (WHO) Director General, primary health care (PHC) became in the early 1980s a guiding strategy for many countries towards the goal of Health For All 2000. During that period there was particular emphasis on initiatives such as essential drug lists, maternal and child health services and community health workers.

However, we were not long into the 1980s when challenges to what became called the comprehensive approach to Alma Ata appeared in the guise of 'selectivism'; this foreshadowed one of the themes of the 1990s reforms and beyond in the Millennium Development Goals (MDGs) – the prioritization of health based on largely 'technical' (as opposed to social or democratically set) grounds. And by the end of the 1980s the early optimism of the PHC movement had been replaced, in donor agencies at least, with a belief that the answer to continued poor health lay in much more structural reforms, based on a market ideology. This reflected a wider New Right neoliberal ideology that was then in the ascendancy in countries such as the UK and the USA. The vacuum in international health leadership caused by the then weak WHO coincided with a growth in power and influence of the World Bank with its particular ideological commitment to the market. The international language of health and development became dominated by concerns about increasing private sector roles, contracting, downsizing the public sector, and emphasis on individualized rather than collective health financing through user charges.

The key themes of Alma Ata were largely lost in this: equity seemed to be overtaken by pursuit of efficiency; the focus on health care structures left little space for consideration of the wider determinants of health; and while decentralization of health care governance was a common policy agenda item, participation of communities in decision-making was not seen as a key component of this (in economic parlance, it was a supply-side, rather than demand-side, driven agenda). The very approach to the reforms themselves was often internationally driven with little bottom-up engagement. The focus on a particular approach to service structures also ignored a number of key policy issues in this area – most notably the growing crisis of a shortage and maldistribution of professional health care workers, but also issues such as the malfunctioning of referral systems and the relationships between the increasingly prioritized vertical disease programmes and the wider primary care services. In some ways these sins of omission were a natural sequitur of the market approach and the downplaying of the public sector and its policy leadership role. These policy gaps illustrate that health system structures *did* need attention, but that the basic values and ideology on which such systems should be designed will affect greatly the type of structures.

The new millennium did not bring Health For All; instead it brought a new set of global goals – the MDGs. While they had a political role in raising awareness about development – indeed health professionals are often reminded that three of the goals are health-related – they have (as targets have the ability so easily to do) focused attention – and resources – on the 'killer' diseases, at the expense of other 'neglected' health problems (such as mental illness). This narrow disease focus has parallels with the selectivist movement of the post Alma Ata period, raising questions again about how prioritization is done, and by whom. Furthermore, it has the danger of swinging the pendulum away from health *system* issues.

What then, 30 years on, is the relevance of the Alma Ata Declaration today? First, I still believe, as I did 30 years ago, that the broad principles that underpin the declaration are universal both in time and space. However, I also recognize that this is based on a particular set of values that are not universally shared. In particular the underlying commitment to a social, rather than solely an individual, set of responsibilities for health is largely (though not purely) ideological, reflecting a particular view of the world and the role of society and in particular government. Indeed, I believe that health policy analysts need to pay greater attention to the legitimate role of values in policy making, alongside the calls for more evidence-informed policies.

While Alma Ata does provide a solid base of principles for the pursuit of just and equitable health, these need to be contextualized to time and place. The theme of community participation illustrates this well with two different examples. First, the pursuit of community (and individual) participation in health decisions is likely to be very different in an increasingly information

literate society fed, and influenced, by the Internet, compared to that of 30 years ago. Second, the locus of many decisions on health systems has moved outside the national arena with multinationals and Global Public–Private Partnerships often more significant policy actors than even the multilaterals, reducing further the democratic space for national, let alone community involvement in such decisions. Development of accountable and effective global governance in the health field is a critical priority.

Second, it is clear that the principles running through Alma Ata remain as unmet challenges to the health system. Three in particular stand out. Inequity remains endemic, and we continue to witness the many forms in which it manifests, including most pervasively, gender. However, the plundering of low-income countries as sources for health professionals has brought to the fore the wider issue of global inter-regional inequity.[1]

Second, health systems remain professionally dominated, with little space given for democratic participation in how resources are used. This remains a challenge for health systems throughout the world, through there are examples, such as in Brazil, of interesting attempts to open up decision-making to communities.

Last, health (service) systems still struggle with looking upstream towards the root causes of ill-health, preferring to focus on dealing with the results. In the same year that Alma Ata's 30th anniversary is celebrated, the Commission on Social Determinants of Health will produce its report. If this report can politically refocus attention on what Alma Ata called multisectoralism, it will be an appropriate way to celebrate.

NOTES

1. Regarding the dimesions of inequality, consider: every year, half a million women die in childbirth – the majority of deaths being preventable; these unnecessary deaths are very unevenly distributed with the lifetime risk of dying in pregnancy being 1 to 12–16 in Africa compared to 1 in 4000 in Europe. Currently, whilst around 95% of births are attended by a skilled attendant in high income health systems, the average for Africa is half of this. The 2006 World Health Report identifies a need for a leap in professional staffing levels with an extra 334,000 midwives by 2015. The USA has a ratio of over 950 nurses/midwives to 100,000 population, compared to Ghana with approximately 80.

BIOGRAPHICAL NOTE

ANDREW GREEN is Professor of International Health Planning and Head of Centre at Nuffield Centre for International Health & Development, Leeds Institute of Health Sciences. Please address correspondence to Andrew Green, Nuffield Centre for International Health & Development, Leeds Institute of Health Sciences, University of Leeds, Charles Thackrah Building, 101 Clarendon Road, Leeds LS2 9JL, UK. [email: a.t.green@leeds.ac.uk]

Alma Ata and Social Movements

THELMA NARAYAN
Centre for Health and Equity, India

The landmark 1978 Alma Ata Conference convened jointly by the World Health Organization (WHO) and UNICEF captured and articulated people's aspirations globally for health, well-being and development (WHO–UNICEF, 1978). The principles of social justice and health rights were foundational. Imagining a new international economic order in a post-colonial ethos, charismatic leadership by specialized UN agencies and others led 134 member countries to sign on to the conference outcome. The Alma Ata Declaration called for urgent action by all governments and the world community to reduce gross inequalities in health and help realize the social goal of Health For All (HFA), using comprehensive Primary Health Care (PHC) as a key approach. The populist and rousing slogan of Health For All by 2000 soon became widely used.

Alma Ata became synonymous with concepts such as inter-sectoral action for health; health and development linkages; universal access to care; community participation in health decision-making; self-reliance and self-determination. This was a paradigmatic shift in strategizing for health and health care from the earlier bio-medically driven WHO policies for disease control through vertical programmes. The implications of this for status quo forces were extensive, deep and were quickly understood. Resistance to change by experts, professional bodies and other interests groups was immediate, subtle, intelligent and appealing to policy makers hard pressed to show results. Prior predictions of resistance were insufficient to prevent or reduce its adverse effects.

However, Alma Ata had a long preceding history rooted in efforts and struggles towards an egalitarian and humane vision of health and development. These ranged from socialized medicine, social insurance systems, social welfare programs, and national health services, often driven by social/labour movements. Freedom struggles challenging imperialist systems developed alternative blueprints and experiments for health. Indigenous medicine and healing practices tried to regain legitimacy. Voluntary sector and faith based initiatives in health developed community based initiatives. Some international bodies, foundations and professional groups were also influenced and contributed to the process. For instance, the Bandoeng Conference on Rural Hygiene in August 1937 was a milestone, drawing global attention through the League of Nations Health Organization to the health needs of poor rural populations.

By the early 1970s the world's social majority were still excluded from the health and health care dream, despite better technology and management. Public awareness and unrest at the continuing politico-economic oppression and exclusion was increasing. Alma Ata was thus timely and offered hope. But was it just political expediency for countries and international bodies to make

public commitments to health for all? Was this a placebo policy? Would it be backed up by resources, decisions, institutions and political processes that could translate this vision and strategy into reality? How would power sharing be handled? Would states, the primary constituency of WHO, be willing, able and allowed to deliver?

Progress after Alma Ata began in good faith. Methods and indicators were further developed. Health promotion grew in certain regions addressing health determinants and conditions of life and work that underpin health. National health policies were introduced based on a primary health care approach. Community health worker and health team training was scaled up. Human, financial and political resource support, however, remained inadequate at the national and global level. UNICEF very quickly abandoned the comprehensive approach soon after Alma Ata. Medical professionals were uninterested and opposed to change. Even several public health professionals were sceptical and continued with disease and condition specific programs. An expert driven selective primary health care strategy soon evolved, backed by strong interest groups.

From the 1980s changing externalities, with commercialization and privatization of health care, rapid growth in health related industries such as production of pharmaceuticals, diagnostics and medical equipment, greatly influenced the policy environment. The essential drugs concept was contested at various levels. The economic value of the health sector and its profits gained salience over people's needs. New global players with strong financial interests and approaches entered the field working directly with governments, business partners and non-governmental organizations (NGOs). Terminology was co-opted. Corporate interests developed alliances with medical/health professional bodies, lobbying with governments and influencing global policy. By 2000 this was legitimized by the UN through Global Public–Private Initiatives and the Global Compact.

HFA and PHC were on the back burner of public policy even in WHO. In 2000, the theme of World Health Day, 7 April was Safe Blood. Signed commitments regarding HFA by 2000 of member countries and WHO at Alma Ata were quietly ignored. Despite significant technological and economic progress health inequalities persisted and worsened. However, Alma Ata was not forgotten.

NGOs had continued community based work and were critical of WHO from the late 1980s. NGO coalitions and social movements came together and organized the first Peoples' Health Assembly (PHA) in December 2000 as a challenge to the neglect of the HFA goal by WHO and as an alternative to the annual World Health Assembly. This historic meeting, with 1500 participants from 75 countries adopted a People's Charter for Health. Placing HFA and Comprehensive PHC back on the agenda globally, nationally and locally was a central strategy. Over 700 delegates from 44 countries at a People's Health Movement (PHM) meeting in Mumbai, India in 2004, and

1492 people from 82 countries at the second global Peoples' Health Assembly in Cuenca, Ecuador reiterated this commitment and took it forward in their work through country circles.

Countries in the Americas and Asia persisted with HFA and PHC even in an era of adverse global neoliberal macro-economic policies. At the 25th anniversary of Alma Ata in 2003 Pan American Health Organizations' (PAHO) member countries renewed strategic and programmatic commitment to strengthening PHC based health systems. The 2007 Buenos Aires Declaration reiterated strong political support. In 2005 India launched its National Rural Health Mission with increased funding, better management and a strong 'communitization' component, with PHM India in critical collaboration. In 2007, China convened a large national conference on Primary Health Care, renewing commitments to HFA and PHC, after two decades of privatizing its health system. The Thai health system and people consistently worked on PHC and health promotion, and at a recent Prince Mahidol Award Conference 2008 reviewed three decades of primary health care and looked to the future.[1] The new WHO Director-General Dr Margaret Chan, responding to member country requests has accorded priority to HFA–PHC with an internal Task Force and several initiatives.

Given decades of broken promises and weak national efforts, people's movements and communities are wary. A Global Health Watch tracks global policies. The Peoples' Rural Health Watch and community monitoring in India tracks implementation. A global Right to Health campaign by PHM has been launched. Measuring impacts in reducing health inequalities, and in addressing the deeper determinants of health are priority. Fired by the spirit of Alma Ata, social movements, some states and international bodies are reclaiming policy space and working with communities to strengthen comprehensive health care with the conviction that health for all is a possibility.

NOTE

1. Prince Mahidol Aware Conference, 2008, Three Decades of Primary Health Care: Reviewing the past and Defining the Future, Bangkok, Thailand.

REFERENCES

Pan American Health Organizations' (PAHO) (2007) *Renewing Primary Health Care in the Americas, a Position Paper of PAHO/WHO*. Washington, DC: PAHO.

Peoples' Health Assembly (PHA) (2000) *People's Charter for Health, & Other Documents and Declarations of the People's Health Movement*, accessed February 2008, http://www.phmovement.org

World Health Organization and UNICEF (WHO–UNICEF) (1978) *Primary Health Care Report of the International Conference on Primary Health Care*, WHO Declaration, Alma Ata, USSR, 6–12 September.

BIOGRAPHICAL NOTE

THELMA NARAYAN, MBBS, MSc, PhD is a Public Health Consultant with The Centre of Health and Equity Community Health Cell. For more information visit http://www.sochara.org. Please address correspondence to Thelma Narayan, Centre for Health and Equity, 326, 5th Main, 1st Block, Karamangala, Bangalore, 560 034, Karnataka, India. [email: thelma@sochara.org]

Establishing a Workforce of Globally Aware Health Professionals

Alma Ata and Alma Mata Global Health Network:

REBECCA HOPE, BRIAN NICHOLSON AND DAVID BAGULEY

University of Leeds, UK

In 1978, the Alma Ata declaration proclaimed health to be a fundamental human right, recognizing that health is essential for a nation's social and economic stability. It aimed for health for all by the year 2000 via effective primary health care. Achieving this goal was hampered by a combination of factors including: the restructuring of developing economies, through World Bank and IMF structural adjustment policies, dwindling political will, the HIV/AIDS epidemic and conflict. The majority of funds for health in developing countries continue to be channelled to expensive curative services rather than to primary care or have been tied into complex funding mechanisms such as the Global Fund for AIDS, TB and Malaria. The international financial organizations now accept that market forces have failed in health care markets for the poor, yet in much of the world we are no closer to equitably provided health care services.

What lessons can be learned from Alma Ata and how relevant is it in today's globalized world?

DEFINING HEALTH

Perhaps most importantly of all, the declaration placed health firmly in a social and economic context. Its definition of health as 'a state of complete physical, mental and social wellbeing' became for us, and indeed for many other young health professionals, our first definition of health. As students training in international health, it was again a relevant starting point and offered a broad vision of the 1978 system and its failings. Alma Ata's strategy was two-fold: a fuller and better use of the world's resources and a universal system of primary health care. Its recommendations have sadly been ignored and, we believe, remain all too relevant today.

PARTICIPATION

Alma Ata defined health as everyone's responsibility, from international organizations and national governments, to patients and communities. The declaration suggested that through collective participation individuals can, and should, improve their health services. In modern-day health policy, strong collaboration is frequently advocated to achieve international targets such as the Millennium Development Goals (MDGs). In practice, large gaps exist in worldwide health care provision due to overlapping, and often conflicting health provider priorities. The achievements in recent years of grassroots organizations such as the People's Health Movement are a reminder of how participation in local and international networks can bring key issues such as debt, trade and the right to health to global attention.

A PLACE FOR OPTIMISM?

Despite its failings, it is perhaps the optimism and hope of Alma Ata that appeals most. Idealism may have a limited role in global health work, but if it inspires people to act and to inform themselves and others it can be an important force for change. Alma Mata was created to channel this enthusiasm and goodwill into something productive and tangible, by equipping members with resources for advocacy, training and research, aiming to build capacity and awareness in the UK and beyond.

INTRODUCING ALMA MATA AND OUR ACTIVITIES

Beyond its rhetoric, what significance has Alma Ata in today's globalized world? As an organization formed in 2005 by young UK health professionals, Alma Mata (an amalgam of the meeting's location and *alma mater*) is an online community of over 900 health professionals interested in global health. The fact that the declaration held significance for its creators is evidence to its enduring influence on new generations of health professionals.

Since the launch of its website in March 2005, Alma Mata has acted as a virtual community bringing together individuals and organizations in the field of international health to share ideas, knowledge and experience. Along with hosting a directory profiling individuals and organizations active in global health, Alma Mata stimulates the exchange of ideas and information through external events and educational programmes. We keep members up to date online with the latest news and current affairs, and by developing and maintain collaborative working relationships with allied global health organizations. Currently the website (http://www.almamata.net) receives in excess of 2000 unique visitors per year.

In 2007, Alma Mata contributed to the Crisp Report, produced by the UK government outlining the UK's contribution to health in developing countries. It emphasized, like Alma Ata, the important role of individuals and voluntary organizations in sharing knowledge and expertise and the benefits of global partnerships for both UK and international health systems.

In the UK, members are closely involved in lobbying for, and participating in the development of, internationally focused training for NHS[1] staff and

medical undergraduates. This ensures that the work of health professionals on overseas placements is of sustainable benefit to their hosts. Members of Alma Mata have produced training resources for medical students and have run conferences aimed at health professionals focusing on internationally relevant topics. Alma Mata was a contributor to the recent UK Department of Health's Tooke Report advocating increased flexibility within the new junior doctor's training programme to allow exposure to global health work. We strongly believe the knowledge and skills acquired by UK health professionals during international experiences can be a powerful advocacy tool with benefits for both UK and developing nations' health systems.

On reflection post year 2000, and pre-MDGs, we could be forgiven for mistrust and cynicism for international target setting for health in low-income countries. It is important to remember the great achievements made (for example in vaccinations and child mortality) while appreciating the work still to be done, and the new challenges ahead. The focus of Alma Ata on participation and its ambitious target is a reminder that little would be achieved without motivated, aware health professionals working together towards common goals. As the Alma Mata Network grows it aims to build awareness and training opportunities for the health and allied professions and, through our network, website and conferences, to create a forum where professionals can meet. It is these young professionals and students who will be equipped to collectively shape future developments in global health.

Note

1. NHS National Health Service, United Kingdom.

BIOGRAPHICAL NOTES

REBECCA HOPE is a doctor currently working in London and the founder of Alma Mata Global Health Network. She trained in international health at University College London at the International Health and Medical Education Centre. She is the author of *The Elective Pack*, a guide to international health and development for medical students on overseas placements. Her interests are global health education and community health insurance in low income settings. Please address correspondence to Rebecca Hope, Alma Mata Office, The Nuffield Centre for Health and Development, Leeds Institute of Health Sciences, University of Leeds, Charles Thackrah Building, 101 Clarendon Road, Leeds LS2 9LJ, UK. [email: Rebecca.hope@almamata.net]

BRIAN NICHOLSON, one of the founding members of Alma Mata, is trained in medicine and international health at the University of Leeds and works as a researcher at the Institute for Health Sciences and Public Health Research (International Division), University of Leeds. His interests include capacity building in the global health workforce and infectious diseases. Please address correspondence to Brian Nicholson, Alma Mata Office, The Nuffield Centre for Health and Development, Leeds Institute of Health Sciences, University of Leeds, Charles Thackrah Building, 101 Clarendon Road, Leeds LS2 9LJ, UK. [email: brian.nicholson@almamata.net]

DAVID BAGULEY is currently working as a doctor in Southampton. His main interests are global health, child health and infectious diseases. He trained in international health at the University of Leeds. Please address correspondence to David Baguley, Alma Mata Office, The Nuffield Centre for Health and Development, Leeds Institute of Health Sciences, University of Leeds, Charles Thackrah Building, 101 Clarendon Road, Leeds LS2 9LJ, UK. [email: dave.bagz@doctors.org.uk]

Re-Reading the Alma Ata Declaration: The Need to Say the Unsaid, to Do the Undone, and to Think for the 21st Century

ABHAY SHUKLA
Support for Advocacy and Training to Health Initiatives, Centre for Enquiry into Health and Allied Themes (SATHI-CEHAT) and People's Health Movement, India

Like great works of literature, the Alma Ata Declaration has more than one layer of meaning, and has been interpreted in different ways by different persons. When we read this historic declaration today, one is impressed by what has been said, but one is also struck by what really needed to be said yet was left 'between the lines'. Thirty years later, it seems timely to emphasize some of these unstated issues. Even among the tasks that were delineated by the declaration, many were perhaps never seriously attempted. Without dwelling on these often discussed acts of omission and dilution over three decades, I will try to suggest what we might like to add today to such a declaration, given the currently prevailing situation of health and health care.

While it was undoubtedly radical for its times, like other World Health Organization (WHO) statements, the Alma Ata Declaration was ultimately a consensus document, based on minimum common agreement among a large number of governments. Such a consensus is bound by the constraint of being unable to criticize anyone. The emphasis is more on appealing to the powerful rather than on mobilizing the powerless. As a consequence, it gives remedies without clearly naming the maladies. The massive structural barriers to people's health, continued extraction of resources from the poor in favour of the rich within and across countries, the powerful vested interests responsible for widespread medical deprivation and exploitation are hardly mentioned. How could the Primary Health Care (PHC) approach be implemented without naming and challenging these forces inimical to people's health? As an example there is no mention of the exploitative practices of the drug industry and the need to check these; costs of drugs remain high, precious money continues to be wasted on irrational drug combinations, hence talk about 'essential drugs for all' often remains just talk. However noble the intentions to achieve health for everyone, these could not be converted into action if the forces blocking the way to 'Health for all' were not identified and challenged; and this could not be done by the Alma Ata Declaration.

The Declaration opens with the historic assertion that health is a fundamental human right. However any right, if it is to be made real, needs more than rhetoric. Nowhere does the Declaration talk of the actual constitutional,

legal measures that are necessary to make the right to health or health care an enforceable legal right. The need for legally guaranteed health services, systems for universal access to health care and participatory monitoring and redressal mechanisms do not find mention in the Declaration. Today we see that clear health entitlements were by and large not established in most countries, and the right to health largely did not move beyond being a vague, rhetorical intention.

The fact that the Primary Health Care approach began to be undermined, diluted and 'selectivized' soon after it was adopted, and that only a small fraction of the vision of Alma Ata was ever seriously executed, has been extensively commented upon, and need not be repeated here. Let us next briefly see what we might like to add and modify regarding the Primary Health Care approach, in today's context of the early 21st century.

No genuine programme to improve people's health today could start without critiquing the impact of neoliberal globalization and privatization in the last two decades. A 21st century 'Health for all' declaration could justifiably start with the warning 'corporate globalization is injurious to health', and would need to outline the alternative socio-economic framework required at the global and national levels to promote public health and reclaim health systems. An updated analysis of the range of social determinants of health, and measures required to establish equitable social control over resources and services that today stand privatized in various forms, would be in order.

Next, while reiterating the principle that health is a fundamental human right, we would need to specify in some detail the basic components of making the right to health care and the right to health determinants effective and functional entitlements. While adapting these to each country's unique situation, it would be desirable to outline the basic legal, operational (e.g. a system for universal access to health care) and accountability ingredients of the right to health.

Moving ahead from the concept of 'community participation' we would need to outline the processes required to enable communities, including organizations of the less privileged sections, to plan, monitor and co-manage public health services. This would include development of capacities of people to regularly monitor the functioning of Primary Health Care services in a rights-based framework. Based on the Kerala example, avenues could be opened up for decentralized health planning, particularly in the context of 'Panchayati Raj' in India. We also need to conceive mechanisms by which autonomous community health initiatives could synergistically collaborate with the public health system.

The role of community health workers would need to be considerably elaborated, with a larger set of capacities, encompassing not only first contact care but also counselling, and working as a patient and community advocate. Especially in urban and peri-urban areas where multiple health care providers are accessible, the role of the health worker would be oriented more towards giving advice, facilitating referral and health advocacy.

In the 21st century, the 'diseases of development' would obviously need due attention. Primary Health Care services and the larger developmental model would need to address problems like HIV/AIDS, diabetes, hypertension, coronary artery disease, accidents, mental health problems, addictions, pollution related morbidity and the health impacts of violence. Action would include screening and referral, community level prevention, counselling and promotion of healthy lifestyles.

We would need to promote low-cost yet modern innovative technology based on recent developments in areas such as biotechnology and information technology. Low-cost but accurate diagnostic tools for use in peripheral setups and health information systems could be developed to strengthen PHC. We also need tools to study disease epidemiology at the local level, such as decentralized surveillance and 'popular epidemiology' based on activities of communities who can help identify and study health problems of local importance.

Finally, we can recall that health inequities had been identified as an area of concern by the Alma Ata Declaration. However, in today's context health equity needs to be developed as an area of much more intensive research and policy action. The issue of gender equity in health – which includes horizontal and vertical equity, as well as addressing special health risks faced by women – is of particular concern. Monitoring health inequities in the context of various social stratifiers is a crucial input to plan better health services and living conditions for less privileged populations and sections. This is of central significance, because 'Health for all' can be achieved only if there is 'Health for the most underprivileged and marginalized' – and this can be ultimately achieved only by decisively moving towards a much more just social order and an equitable health system.

ACKNOWLEDGEMENT

This reflection draws upon a larger article 'Revisiting Primary Health Care in the 21st Century' co-authored with Anant Phadke and posted on e Social Sciences (http://www.esocialsciences.com/Articles/displayArticles.asp?Article_ID=726)

BIOGRAPHICAL NOTE

ABHAY SHUKLA is the Secretariat with the People's Health Movement – India in Pune, and is also with Support for Advocacy and Training to Health Initiatives, Centre for Enquiry into Health and Allied Themes (SATHI-CEHAT). Please address correspondence to Abhay Shukla, SATHI, Flat no. 3&4 Aman E Terrace, Dahanukar Colony, Plot no. 140, Kothrud, Pune – 411029, India. [email: abhayseema@vsnl.com]

Globalization and the Housing Asset Rich

Geographies, Demographies and Policy Convoys

RAY FORREST
University of Bristol, UK

ABSTRACT This article explores the importance of housing assets in shaping the global landscape of opportunity and disadvantage. In doing so, it is concerned with four key issues. First, it seeks to highlight the increasing significance of housing related wealth at a global scale. Second, it is concerned with the uneven and potentially divisive impact of housing asset accumulation, within and between societies. Third, it seeks to show how economic, geo-demographic and policy contexts combine to produce different outcomes for different population cohorts. Fourth, it discusses the way in which more market driven housing systems and housing wealth accumulation are changing the social policy environment. The underlying argument of the article is that the dynamics of housing markets and housing assets are of growing significance in relation to contemporary patterns of risk, opportunity, vulnerability and privilege and need to be embraced more thoroughly in social policy debate.

KEYWORDS *assets, globalization, home ownership, wealth*

Introduction

This article explores the importance of housing assets in shaping the global landscape of opportunity and disadvantage. In doing so, it is concerned with four key issues. First, it seeks to highlight the increasing significance of housing related wealth at a global scale. Second, it is concerned with the uneven and potentially divisive impact of housing asset accumulation, within and

Global Social Policy Copyright © 2008 1468-0181 vol. 8(2): 167–187; 090637
SAGE Publications (Los Angeles, London, New Delhi and Singapore)
DOI: 10.1177/1468018108090637 http://gsp.sagepub.com

between societies. Third, it seeks to show how economic, geo-demographic and policy contexts combine to produce different outcomes for different population cohorts. Fourth, it discusses the way in which more market driven housing systems and housing wealth accumulation are changing the social policy environment.

Underlying the argument is a view that home ownership status can be seen as a pivotal element of asset based, economic citizenship – the ability to participate in what Boyer (2000) has referred to as 'property led regimes' – a pervasive financialization of social life in which the ability to deploy directly or indirectly housing assets (which for most homeowners constitutes their key wealth holding) is crucial to participation in consumption. Conversely, those excluded or on the margins of housing asset accumulation are increasingly disadvantaged.

The general context is one in which, internationally, housing provision has become more market based and these transformations in the housing sector are symptomatic of a contemporary globalization that has been shaped by neoliberal imperatives. Processes of deregulation, re-regulation, privatization and financial liberalization and the changing role of government in public and social policy have reflected an ideological and policy shift in the interests of corporate capitalism. And in the ever-expanding literature on globalization, it is the scale and velocity of financial flows around the globe that are among the least contested features of this new global age. Investment in real estate is a significant part of this global financial system accounting for a substantial proportion of bank lending in most developed countries (Zhu, 2003). Greater reliance on indirect and regulatory interventions, and on private financial institutions to facilitate market based forms of housing provision means that housing systems are now more intimately embedded in a global economy and in an institutional structure in which global institutions exert greater influence (Forrest, 2007).

More generally, the relationship between national governments and national housing systems has changed. The reduction, sometimes substantial, of direct housing provision has diminished state capacities to respond as effectively as in the past to the shifting housing needs and demands of populations. It follows from this that national housing systems, which are increasingly shaped by, and dependent on, private institutions are also more intimately connected to the global economy and potentially more vulnerable to economic and political turbulence beyond national boundaries. The governance of housing systems has also become more internationalized, privatized and preoccupied with asset management and the monitoring of institutional and individual risk. National housing policy remains focused on issues of homelessness, slumification and the problems of those unable to access housing via the market. But in the global scheme of things, the main business is elsewhere, in a world of housing as assets, of financial flows to and from households and

between institutions and in the regulatory framework set up to manage the risks associated with this ever-expanding investment in the residential sphere. Local housing markets and individual households are caught up in these processes to varying degrees and with varying consequences.

These developments have important implications for social policy on a number of dimensions. These include the challenge to address divisions between the asset rich and asset poor, at different spatial scales; debates around taxation and home ownership gains; new vulnerabilities to household indebtedness; the role of housing equity in more privatized welfare systems; and the need to conceptualize patterns of economic and social advantage and disadvantage in more familial and intergenerational terms.

BACKGROUND

Interest in the social and economic impact of rising home ownership rates has a longstanding history in both policy and academic debate. Analysis has ranged across the impact of changes in patterns of housing provision on spatial mobility and societal cohesion (Rossi, 1980), new social fissures conceptualized as housing classes (Rex and Moore, 1967), divisions between renters and owners conceived as new consumption sector cleavages (Dunleavy, 1979; Saunders, 1978) and the socio-spatial impacts of housing wealth accumulation (Forrest and Murie, 1995). The exploration of these and related issues has had, however, a very uneven geographical focus and has waxed and waned with shifting economic conditions. Geographically and culturally, the literature has also had a strong Anglo-Saxon tinge with British, Australasian and to a lesser extent, US researchers being most preoccupied with the socio-economic dimensions of housing tenure change – particularly in periods of rapid house price inflation. Part of the explanation for this lies in the established and mature nature of home ownership sectors in countries such as the UK and the USA.

Patterns of housing provision vary substantially across societies and the underlying factors for these historical and contemporary differences is a separate and well-developed debate (see Harloe, 1995; Kemeny, 1981). More recent work in this field has looked increasingly to welfare regime theory for the underlying conceptual framework for understanding historical trajectories in the development of housing tenures (Kurz and Blossfeld, 2004). This discussion, however, lies outside the main concerns of this article. What is relevant is that such attempts to conceptualize housing provision patterns as an aspect of welfare regime theory have drawn housing closer to mainstream debates in social policy, sociology and economics. There is now widespread recognition of the social and transformative potential of mortgage based home ownership (see also Shapiro, 2004). By transformative potential I am referring to both the positive and negative impacts of housing assets in relation to social stratification and social inequality, the distribution of wealth and its deployment within and between households and generations, the macro-

economic consequences of remortgaging and equity release and the uneven spatial impact of these processes within cities, regions and globally.

THE SIGNIFICANCE OF HOUSING WITHIN POLICY DEBATE

It is somewhat paradoxical that while housing policy as welfare oriented social policy has become somewhat marginalized in recent years, concern with the dynamics of housing markets and housing-related social inequalities have moved to the forefront of international policy debate. This has happened for a number of reasons.

First, contemporary home ownership has penetrated new markets – albeit in hybridized and sometimes only partially marketized forms. The late 1980s saw the break up of the former Soviet Union and a rapid privatization of housing stocks and the drive towards monetized housing systems. A more recent, and probably more significant phase of marketization, has encompassed countries such as China and Vietnam. The growth of both privatized and commodified forms of home ownership and associated wealth accumulation among particular cohorts in these societies has been rapid and substantial and has contributed to significant new social divides within cities and between urban and rural areas. Moreover, housing reforms in societies such as China and Russia have been pursued as a pivotal element in achieving more fundamental social and economic transformations.

Second, while significant sections of the world's population have found themselves in relatively advantaged if highly differentiated positions in the residential housing sphere, millions of people have become more disadvantaged in terms of housing access and conditions. A neoliberal agenda, which has driven market reforms and which has generated new forms of wealth for some has profoundly disenfranchised others. Rising inequalities evident at a national or city scale can be observed at a global level. The magnitude of this chronic housing disadvantage is documented in the United Nations Human Settlements Programme (UNHSP) report, *The Challenge of Slums*, which estimates that in 2001 some 32% of the world's urban population lived in slums. It is almost certain that slum dwellers increased substantially during the 1990s. It is further projected that in the next 30 years, the global number of slum dwellers will increase to about 2bn if no firm concrete action is taken (UNHSP, 2003: xxv).

The weakening of national governments, neoliberal ideology and its associated structural adjustment programmes have been key factors in this growth of slumification and urban poverty. Davis (2004: 27), in a characteristically evocative commentary on the UNHSP report, suggests that social theory is now challenged 'to grasp the novelty of a true global residuum lacking the strategic economic power of socialized labour, but massively concentrated in a shanty town world encircling the fortified enclaves of the urban rich'.

It is the urban rich – or at least the moderately and relatively housing asset rich – that are the focal point of the third key element of housing's strategically

important position in current policy debates. From some perspectives it would appear that much of the health of the global economy is finely balanced on the unpredictable undulations of the residential property market and on the spending and savings behaviour of individual homeowners. Nationally and globally the interaction between housing markets and the wider macro economy has become a major preoccupation. The 2004 International Monetary Fund (IMF) *World Economic Outlook* referred to a 'global house price boom' with apparently synchronized and unusually high house price rises across many industrial countries. Moreover, it suggested that the explanation for house price rises nationally lies to varying degrees with global factors rather than country specific or idiosyncratic factors.

A key implication of this finding is that just as the upswing in house prices has been a global phenomenon, it is likely that any downturn would also be highly synchronized, with corresponding implications for global economic activity (IMF, 2004: 71).

Such concerns were brought to the fore with the onset and aftermath of the Asian Financial Crisis in which collapsing property markets were deeply implicated (Herring and Wachter, 1998).

Rising real estate values and cheap borrowing have been important factors in sustaining consumer spending in a number of countries during recent economic downturns (Bank for International Settlements, 2002). In relation to the US economy, Deep and Domanski (2002) observed that:

> Mortgage refinancing seems to have played a significant role in keeping US consumption unusually buoyant through the recent downturn. Assuming that 54% of refinanced mortgages generated a net cash payout and that the full median appreciation of property refinanced in 2001 of $25,000 was cashed out, one arrives at an estimate of $150 billion of discretionary cash flow from household equity extraction. (Deep and Domanski, 2002: 3)

Similarly, Brenner (2004: 81) calculated that cash outs, second mortgages and other housing related spending 'accounted, in total, for no less than two-thirds of [US] GDP growth between 2000 and the first half of 2003'. Essentially, the equity or borrowing capacity represented by residential property has grown in significance globally and can be deployed to substantial and unpredictable economic effect at different spatial scales.

The social implications of these developments have also gained wider recognition. The distribution of household wealth, the potential to 'spend' housing equity, patterns of inter-vivos transfer, intergenerational transmission and the manner of its acquisition are seen as increasingly important in the shaping of contemporary social divisions and life chances. Spilerman (2000a) suggests that the neglect of wealth in social stratification has had both a conceptual and empirical basis. Social analysts have focused on rewards from the labour market and on earned income as the key determinant of life chances and social status. Where wealth has been studied it has tended to be restricted

to elite studies because of its skewed concentration in the hands of privileged minorities. Wealth dispersion, however, largely associated with the growth of home ownership means that 'considerations of family asset holdings have become increasingly relevant to general stratification analysis, aside from their long-established salience in elite studies' (Spilerman, 2000a: 499). In a similar vein Kurz and Blossfeld (2004: 1) state that 'Although home ownership is the most important form of family wealth – it greatly affects both the living conditions and financial security of households – it has rarely been the topic of social stratification research'.

From a social policy perspective, such concerns shift the focus on social advantage or disadvantage from the *individual* to the *family*, to the total resources that can be deployed and to more broad based analyses of lifestyles and consumption patterns rather than mere economic calculations. In doing so, it is also necessary to have a cohort and life course perspective on the achievement of home ownership. In other words, who you are, where you are and when you achieve home ownership are critical determinants of future trajectories.

It is also important to emphasise that some homeowners are considerably more asset rich than others and there is ample evidence to show that equity can rapidly become negative or eroded for unlucky cohorts caught in a recession (Forrest and Kennett, 1996; for a more general discussion of housing market risk, see also Boelhouwer et al., 2004). Moreover, there is as always considerable uncertainty about the current state of the global property market with predictions of a serious 'adjustment' in house prices (*The Economist*, 2005). However, notwithstanding the vicissitudes of residential property markets and the evident differentiation within home ownership sectors (see Forrest et al., 1990; Hirayama, 2005), in the global scheme of things, home ownership has become an important dimension of an economic citizenship in which those with housing assets can enhance earned income directly and indirectly to sustain consumption, lifestyles and social status and are often better placed to weather adverse economic circumstances.

Geographies of Accumulation

The divisions between (and within) the housing asset rich and the housing asset poor can be conceived of at different spatial scales to evoke a multilayered and intertwined geography of advantage and disadvantage. At a global level the article has already alluded to the major divide between populations, which is reflected in two parallel and apparently disconnected debates. On the one hand the borrowing capacity and behaviour of large swathes of (particularly) US homeowners has helped sustain their prodigious consumption of energy and imported goods from around the world. On the other hand, trade liberalization, structural adjustment programmes and the general application of neoliberal ideologies have worsened housing and living conditions in much of Africa, Central Asia and parts of Latin America (United Nations Human

Settlements Programme, 2003). The starkest divide is therefore between the growing numbers of chronically housing disadvantaged on the margins of survival in cities such as Manila or Mexico City and the masses of homeowners in major cities of Europe, Australasia, East Asia and North America – a discourse of poverty and subsistence in the former and one of price, equity and wealth in the latter.

At a different spatial scale we can conceive of these housing wealth divisions at a regional or city level. This draws on Fielding's conception of 'escalator regions' (Fielding, 1992) where he was referring to those regions (in his case specifically London and the South East) in which there was a critical and growing mass of the professional and new middle classes, expanding high-income employment and rapidly growing house prices. Work in a similar vein has shown the role of the Paris region on social advancement and mobility compared to the rest of France (Lelievre and Bonvalet, 1994). Escalator regions offer potentially rapid ascent up the employment, housing and status ladder. Moreover, getting off the escalator can be problematic and risk loss of employment or housing market position – once disembarked it may prove difficult to get on again. For example, a move to a lower cost city or region can bring immediate material benefits and a better standard of living but re-entry to the escalator region can prove extremely difficult if regional housing costs continue to diverge.

This metaphor can be extended to encompass escalator cities and regions globally and to suggest a cumulative and interconnected set of advantages for those with the necessary employment and social credentials to be residents of those privileged enclaves. The most obvious candidates are the familiar global cities of London, Sydney, Tokyo and the emergent ones such as Shanghai or Beijing. Shiller (2005: 106) refers to the 'glamour' cities such as Moscow, Paris and Sydney. 'These cities boomed in the late 1980s, crashed in the early 1990s and then boomed again. Real house prices are now almost twice what they were in 1997.' He suggests that factors such as international terrorism, financial scandals associated with major corporations and a loss of confidence in stock markets have combined to channel funds into the 'tangible assets' such as real estate. And the most desirable real estate is found in the most fashionable cities.

Of course, it is in precisely these locations where prices are at their most volatile and where rampant booms can be followed by dramatic busts (Forrest et al., 2003; Ley and Tutchener, 2001). It is not the case, therefore, that such lead cities offer an uncomplicated and unrelenting upward escalator of house price appreciation. Nevertheless, it is in such cities where the opportunities for extraordinary housing asset appreciation are at their greatest, contingent on timing and location. Ley and Tutchener (2001), for example, have shown how the price trajectories of Toronto and Vancouver became progressively decoupled from the other main metropolitan areas of Canada through their greater integration into the global economy. The growth of professional and

managerial employment, substantial immigration (often high-income in the case of Vancouver) and overseas investment in real estate, particularly from East Asia, were all factors contributing to more intense house price inflation in these cities. Ley and Tutchener (2001: 220) comment that 'Price movements in Toronto and Vancouver show geographical and historical synchronicity with globalising trends'.

These escalator opportunities are not, however, confined to the usual suspects of global and world cities. New fashionable niches are constantly emerging in a real estate market that has an increasingly global reach for mobile capital, mobile elites and offers enhanced housing asset appreciation for middle-class professionals who happen to be resident in these emerging glamour spots. Gentrification has thus taken on global dimensions, it has been 'generalized' (Smith, 2002), with internationally oriented real estate corporations identifying the up and coming cities and regions for wise investors. A report from Jones Lang LaSalle (2003) refers to *city winners*, which are the rising urban stars of the future.

> 'First mover advantage' is a term that will increasingly resonate in the real estate community. We predict that the property markets will see new kinds of players: occupiers and investors keen to capture the energy and potential of Rising Urban Stars. (Jones Lang LaSalle, 2003: 1)

Of the 24 emerging winners which Jones Lang LaSalle suggest are strong investment opportunities for developers and individuals, eight are in China and three in India. The 'rising mega cities' Beijing, Shanghai and Mumbai are predictable inclusions. Xian and Chongqing are 'new frontiers' of economic dynamism. Good bets for property appreciation are 'the urban sustainable' cities of Calgary and Copenhagen and the 'resort/urban hip locations' of Barcelona and SE Queensland. Bangalore, Dalian and Tallinn are promising centres of 'rising technology' and Raleigh-Durham (North Carolina) is 'technology rich'. The extent to which such investment advice translates into pockets of enhanced/above average accumulation only time will tell. There is, however, clearly an element of self-realizing expectation in all this.

There are also escalator neighbourhoods – those pockets within cities where house prices outstrip the average. Hirayama's recent work on Tokyo (Hirayama, 2005) shows an increasing disconnectedness between general price trajectories and the rising values of properties in the high status condominium areas of the central city – a trend spreading to other major Japanese cities and also evident in other parts of East Asia such as Seoul, Shanghai and Kuala Lumpur (for a general commentary see for example DTZ Research, 2005). Hirayama suggests that 'Increasingly differentiated ups and downs in the housing market have fragmented urban space' (Hirayama, 2005: 18). Similarly, research on Hong Kong's housing market has shown the uneven trajectory of house price appreciation across different price sectors. Those in the most expensive neighbourhoods and properties experienced substantially

higher rates of appreciation in the period 1986 to 2001, and when prices fell in the aftermath of the Asian Financial Crisis were still in a position of having made much higher absolute gains than those in the cheaper properties and neighbourhoods.

These pockets of hyperappreciation, typically in the most fashionable districts of the most globally connected cities, can also create striking examples of households that are asset rich and income poor. Low-income households caught up in these new waves of residential investment can find themselves pushed into the high wealth categories. For example, France's wealth tax has increasingly encompassed households with very limited incomes and with few assets other than a high value property. Some of these nominally wealthy households are so poor they are exempt from income tax (*Guardian*, 2005). And while these property hot spots in Paris and other French cities have experienced soaring prices fuelled by the residential preferences of rich minorities, real disposable incomes have generally been falling. This is, of course, a variation on the gentrification and displacement theme and leaving aside the social disruptions and individual stress experienced in such circumstances, one might observe that asset rich/income poor is perhaps preferable to asset poor/income poor – better to be caught up in gentrification than comprehensively passed by? In the latter situation there is little scope to exercise choice of any kind.

A deregulated, re-regulated and privatized public policy environment has also facilitated spillover effects between national housing markets in terms of investment and price inflation. The growth of budget air travel across Europe has enabled the housing asset rich in high inflation housing markets to deploy resources in lower housing cost areas to buy second homes as lifestyle accessories and/or income generating investments. This has been evident among British homeowners where even those on modest incomes and with modestly valued properties have been able to take advantage of much cheaper property prices in places such as France or Spain, thus fuelling secondary property booms.

There are numerous other examples of these spillover effects facilitated by cheaper international mobility. For example, some 15% of real estate sales in Florida in 2004–5 were to individual purchasers from 100 different countries, 58% from Europe with UK buyers representing the majority (National Association of Realtors, 2005: 19). National and local housing policy agendas are thus increasingly affected by these transnational flows with more intense competition for the most desirable residential locations. Moreover, this globalized competition for urban space is often explicitly aided and abetted by national and local governments seeking to position their cities more securely in the global status hierarchy and to attract key corporate investors and professional migrants (Smith, 2002).

The implications for social policy of these developments is of a more volatile, divisive and often fine-grained spatial dimension to social inequalities in which housing wealth plays a key role. In the property hot spots, global influences are increasingly important in shaping the asset base of both

households and institutions and in circumscribing the available policy options for local governments. In other words, housing asset rich regions or enclaves expand the potential tax bases for governments and the range of welfare choices for households, arguably supporting more market based options.

Demographies, Divisions and Cohorts

Housing asset accumulation thus has an uneven geography. This unevenness is then further crosscut by demographic, life course and cohort dimensions. There is a substantial literature on housing and the life course. Some of this focuses on the relationship between savings and income over a lifetime. Other work, more grounded in social geography and social policy, is concerned inter alia with the degree to which housing career trajectories or pathways vary from one cohort to the next and the explanations for such variations (e.g. Myers, 1999). More complexity still is added with comparative studies that explore the variations among similar cohorts in different countries. In the main, such research focuses on housing tenure histories, the achievement of home ownership and the timing of purchase, which varies significantly across different societies. In countries such as the UK, Canada and the USA entry to home ownership has tended to come at an early age whereas in, for example, Italy and Spain first time purchasers have often been in their late 30s (Chiuri and Jappelli, 2003). Explanations for these differences lie in varying demographic patterns, tax regimes, subsidy structures, mortgage regulations, cultural differences in household formation patterns as well as socialization and differing social conventions and expectations. What such studies are generally not able to show (usually because the data are not available) is how housing asset wealth is demographically distributed intra and internationally across different age cohorts. In other words what is the demographic distribution of the housing asset rich?

The general pattern is that housing equity increases with age as mortgages are paid off. Younger home owning households have a higher share of total incomes but a lower share of housing wealth. Thus, housing wealth tends to be increasing as incomes decline. However, such aggregate calculations do not reveal whether housing equity accumulation at the individual household level within each age cohort displays substantial variations over time and space. How is the life course cross cut by house price cycles and changing economic conditions (the timing of purchase), location of purchase (escalator city or neighbourhood) and affected by factors such as the relative sizes of different birth cohorts? These are complex interactions that have been explored to some degree by authors such as Myers (1999) and Deileman (2001). A specific example of such variations in timing is shown by data on Northern Ireland where younger households who entered the market between 1995 and 2000 experienced rapid equity gains compared to the previous and (probably) subsequent cohorts:

> It may seem that 66 per cent equity ownership is quite high for younger households, which have not had enough time in the housing market to clear a significant portion of their mortgage debt. However, the house price boom between 1995 and 2000 dramatically altered loan-to-value ratios among mortgagees, bestowing on them large windfall gains in equity value. (Fahey and Maitre, 2004: 296)

This example links to one of the more striking contemporary housing developments across a number of societies: namely, the declining rate of home ownership among younger age cohorts. Kurz and Blossfeld (2004: 370), found a 'growing delay in the transition to owner occupancy in France, Denmark and Spain'. Rates in Japan among younger age cohorts have fallen steadily and dramatically since the mid 1980s (Forrest et al., 2003). A similar process is evident in the UK, traditionally a society in which the financial regime encouraged and enabled early access to home ownership among young people (Council for Mortgage Lenders, 2005). The explanation for these trends varies but there are a number of key factors at work in different combinations in different societies. Young people are staying longer in higher education and thus entering the labour market later. Paying for education has become more individualized meaning that more young people start work with substantial debts to pay off. Partly related to the previous two factors, marriage and childbirth are happening later in life which in many societies represent a key trigger point for house purchase. Greater uncertainties in the labour market are affecting the ability of younger people to commit themselves to long term financial commitments such as taking out a mortgage. Again, it is important to emphasise that there are significant variations in these developments and there may be important differences both within and across cohorts with a greater polarization of experiences and opportunities. While home ownership rates among younger cohorts may be declining, those younger households who do gain access to home ownership may be in increasingly housing asset privileged positions compared to their peers. Aggregate downward trends in home ownership among younger households may thus conceal sub-cohorts embarked on sharp upward wealth accumulating trajectories.

Parental financial circumstances and the ability to provide down payments for children for house purchase or pay off educational debt is creating greater contrasts between housing (and other) asset rich families and those with more limited resources to deploy. For example, initial access to London's home ownership market now requires a hefty deposit. Having wealthy parents or other family members has thus become increasingly important in providing direct financial assistance to achieve the first step on the rung of the housing ladder.

A number of studies also indicate that it is the upper echelons of the housing asset rich that are best placed (e.g. Gulbrandsen, 2004), and have the greatest propensity (Farlow, 2005), to deploy such resources to enhance their own lifestyles and living standards and those of their offspring (and parents).

This may be in the form of drawing directly on housing equity for non-housing purposes, the ability to use housing assets as a significant credit platform, in relation to the expectations and likelihood of inheriting a dwelling and the value of the bequest. Rowlingson and McKay's (2005) study of housing and inheritance in the UK found that 'white owner-occupiers from the professional classes were the most likely to receive a bequest, especially one of much value'. Similarly, Spilerman (2000b) has demonstrated the interactions between family size, ethnicity and dwelling values in Israel. Israelis of European origin own more valuable dwellings than Israelis of North African heritage and have smaller families than the latter. The absence of a rental market in Israel combined with factors such as restrictions on currency transfers and overseas investments has made access to home ownership the principal means of wealth accumulation and a middle class lifestyle.

Since housing values have climbed more steeply than the inflation rate, the acquisition of a home shortly after marriage has meant a greater number of years in which a couple might grow its resource base. As a consequence, the possibility of early home ownership, facilitated by parental assistance, has operated to magnify the existing disparity between the resources of the poor and the more affluent, as family assets are transmitted from one generation to the next (Spilerman, 2000b: 12). A striking wealth cleavage is also apparent between black and white households in the USA, attributable in great part to differential access to home ownership, contrasting patterns of house price appreciation and racial contrasts in relation to parental resources (Charles and Hurst, 2002; Oliver and Shapiro, 1995; Shapiro, 2004).

Policy Convoys

The means and extent of building up substantial amounts of housing equity is therefore about timing, location and being in an advantageous social position in a particular society. Many housing pathways meander across highly localized, investment backwaters of national economies. Others have more cosmopolitan trajectories across high accumulation enclaves in national and international residential space. All housing pathways are, however, shaped by the temporal and societal particularities of tax and subsidy regimes and the general policy environment. We can conceive of this policy dimension as a convoy in three senses. First, it is a convenient metaphor to convey the differential impacts on households who enter the housing market under varying policy circumstances (e.g. universal tax relief on mortgage interest, no tax relief, stringent inheritance tax encompassing home ownership, limited inheritance tax, capital gains, no capital gains, etc.). Second, it evokes the strong element of path dependency of both policy change and individual pathways. Where you get on the policy train may well have significant influence on your circumstances when you get off. And policy in one period will shape and limit options in the next. A good example here is the way in which mass state rental provision in one era provided the

policy option for some governments for mass privatization through tenant purchase and related schemes in a subsequent policy era. Third, the policy train passes through a changing economic environment that can have major impacts on housing asset accumulation. Forrest and Lee (2004), for example, illustrate the highly differentiated accumulation trajectories of different cohorts in Hong Kong reflecting the undulations of the economic cycle. More generally, the Asian Financial Crisis rapidly changed individual circumstances particularly among those on the economic margins and those who had entered the housing market at its peak.

Taking a longer historical sweep, Lelievre and Bonvalet (1994: 1663), observe that for the French generations born between the two world wars, 'a difficult start' was followed by a period in which 'they benefited from the boom in state-subsidised housing and the new housing loans implemented in the 1950s'. Post-war baby boomers across a number of societies were assisted in similar ways through a combination of mass state housing provision and various low cost loans and general tax reliefs on mortgage interest. Cohorts who gained access to the high-quality state housing of the post-war period were then the main beneficiaries of privatization policies that transferred state housing assets at discounted prices to large sections of the formerly tenanted population. While younger cohorts have typically faced reduced direct state provision and more limited and targeted subsidies for home ownership, the baby boomers in many countries moved into the latter stages of the life course having doubly benefited from state provision and/or from generous indirect tax and subsidy regimes.

Privatization programmes in former state socialist societies had similar effects particularly among the previously privileged cadres or nomenklatura (Davis, 2003; Kosareva and Struyk, 1993). It should be noted, however, that such policies have also contributed to significant asset cleavages particularly where mass privatization policies have transferred dwellings subject to decades of low rent, low maintenance and low quality housing policies. Housing privatization policies in China and Vietnam (Schenk, 2005) have been similarly uneven in their scope and economic impact. Rapidly appreciating assets for some may be burdensome liabilities for others.

In other parts of East Asia state orchestrated home ownership policies via Fordist institutions such as the Government Home Loan Corporation in Japan or the Hong Kong Housing Authority have enabled millions of households to gain a significant foothold on the housing asset ladder through low cost purchase schemes amidst rapidly escalating property values. New entrants in these and other societies, however, face a changing policy environment where post Asian Financial Crisis pressures, neoliberal orthodoxy and the pressures of globalization to maintain or enhance economic competitiveness have involved the fragmentation and privatization of such institutions.

To return then to the convoy analogy, there are some who do not join the home ownership convoy at all – the marginalized communities of the global

north and south. There are those who have benefited from a combination of propitious economic conditions, real wage increases and periods of generous state support – the high accumulators. And there are those who may have accumulated housing equity but are in circumstances in which borrowing against that equity, or releasing the funds in some other way, has or may become as much a matter of necessity as choice. This latter point will be returned to later.

Housing Assets and the Shifting Terrain for Social Policy

In mature home ownership systems such as in Japan or the UK, older housing asset rich households may well depart the policy train with their assets relatively intact (or at least voluntarily deployed by choice for their own benefit or for the benefit of other family members). Cohorts that are further back in the convoy are, however, more likely to be caught between the pressures of the market and changes in state policies in which tax regimes may increasingly encompass housing wealth and involve a degree of compulsion in how that wealth is utilized in later life. At present few countries levy a wealth tax on housing – Spain, Sweden and Denmark being notable exceptions. This may change, however, as the equity stored in housing becomes irresistible to governments seeking new sources of tax revenue and fiscal savings. The evident accumulation of housing wealth among significant sections of populations has attracted the attention of policy makers seeking to fill pensions gaps, reduce the burden on state expenditures for care in old age or to boost consumption levels in depressed economies (Nakagawa, 1999). The wealth gap opening up between renters and owners (National Center for Real Estate Research [NCRER], 2004) and the affordability gap between generations has also focused policy debate on possible ways to distribute housing gains from the winners to the losers through new forms of taxation (Maxwell and Sodha, 2006).

To date, most academic and policy attention has focused on the distributional impact of housing wealth inheritance (see for example Forrest and Murie, 1989; O'Dwyer, 2001). But the focus on inheritance, while understandable in the context of societal ageing, can overlook the myriad ways in which a platform of housing wealth, individually and across families, can be mobilized directly and indirectly at various points during lifetimes. This can involve the consumption funded through low cost, secured borrowing and through trading down or remortgaging. Funds released in this way may be used for private health care, private education (see for example Shapiro, 2004), to buy cars, second homes, as gifts to children or for a whole variety of goods and services. For example, a recent survey by the US NCRER (2004: 10) found that almost 24% of homebuyers invested only some or none of the net equity from the sale of the previous home in their current one – 5% of households used it as downpayment for a second home. It has to be said, however, that it is often difficult to pin down empirically how funds released in

these ways are actually used. Specific uses are often hidden in broad categories such as *home improvement*, *financial investments* or *repayment of debts* but as we saw earlier there is no doubt that consumer expenditure has been buttressed substantially in recent years through house price appreciation.

The mobilization of housing assets, however, also creates a whole new set of vulnerabilities. Bellamy (2006) refers to the 'household debt bubble', much of it secured against housing assets, and to the expansion of debt collecting agencies as more households find themselves in difficulties and the dangers of a 'cascade into negative equity' if there is a sustained drop in house prices. Easier access to mortgage finance combined with the growth in home ownership and rising property values has produced spiralling levels of debt exposure for households. This is a global phenomenon although its extent varies from country to country according to local variations in lending practices, housing tenure structures, price trajectories and legalislative and fiscal frameworks. Between 1992 and 2002 mortgage debt as a percentage of GDP grew from 43% to 87% in the Netherlands, from 45% to 58% in the US and from 53% to 64% in the UK (Zhang, 2006: 2).

The most obvious policy response is to introduce measures to curb speculation and house price inflation. Policy responses by governments to the consequences of sustained house price inflation have, however, been generally rather limited. One reason for this is that it would require strong intervention in the housing market and thus a major change of ideological direction for many governments. Liberalization of financial markets has also produced new difficulties for governments seeking to dampen house price inflation. Financial deregulation has created many more opportunities for borrowers to reduce their mortgage costs through refinancing to counteract the impact of interest rate rises or other fiscal adjustments. Cruz (2006) suggests that this has been a significant factor in explaining the limited response to rate rises in the USA. Increasing housing supply is also likely to have little impact in the short run, even in societies where annual building rates are relatively high and environmental constraints are low. More specific measures can focus on policies to reduce affordability costs for younger entrants to the property market or for low paid, key workers. Generally, these are indirect interventions limited in scope and scale. Moreover, in contexts where a majority of the population are already owners, rising property values generate a pervasive feel-good factor combined with significant consumption effects that ripple through the entire economy. Put simply, whatever the macro economic effects and the impacts on minorities of sustained house price inflation, the majority feel they are doing pretty well.

But essentially, measures that in the past provided decommodified or partially decommodified forms of housing provision (i.e. social housing, subsidized build for sale schemes) are off the current policy agenda. Where national and local governments were previously in circumstances of monopoly or near monopoly provision of social housing they have given way to more private and quasi-private agencies and institutions. The dominant policy context has been one in

which, with few exceptions, the prescription for housing reform or modernization has been a concoction of privatization, marketization and institutional fragmentation. National, regional and local governments have been at the forefront of these transformations in the core capitalist countries. In the transitional societies of the former Soviet Union or in poorer developing countries, however, it is global institutions that have been the most visible actors shaping housing reforms. These include organizations such as the Bank for International Settlements, the World Bank and the IMF and international regulatory bodies such as International Accounting Standards Committee and the International Valuation Standards Committee (for an extended discussion see Forrest, 2007). Housing market governance is becoming more global because the risks to institutions and to households are growing should an economic downturn be occasioned by major conflict, natural catastrophe or some other destabilizing political or economic event or set of circumstances. But with such an occurrence, which some see as inevitable, it is national governments that are likely to be called upon to mediate between financial systems that owe little national allegiance and the local casualties, both households and institutions.

Conclusions

This article has been necessarily wide ranging, geographically and substantively, in order to highlight the different dimensions and significance of housing wealth for social policy. Housing asset wealth has become an important ingredient of opportunity and inequality and the drivers of these opportunities and inequalities are increasingly global to the extent that local housing market conditions are affected by the degree and nature of the embeddedness of cities and regions within the global economy. A pervasive and sustained house price boom has created a global topography of asset accumulation, housing privilege and risk exposure.

The article set out to establish that these processes have given housing a more prominent position in international policy debates. It then proceeded to set out the key factors that produce housing asset winners and losers. At the broadest level, it contrasted a growing mass of differentially endowed housing asset rich concentrated within more affluent societies and the concomitant growth of a mass of chronically housing poor associated particularly with sub-Saharan Africa, Latin America and southern Asia.

The subsequent sections then discussed the key processes of differentiation among those with housing assets. These different dimensions provide a framework within which we can conceive of three interconnected continuums: a 'space' continuum ranging from 'escalator' to 'non-escalator' locations; an 'economy' continuum ranging from high to low accumulation conditions; and a 'policy environment' continuum (policy convoys) ranging from policy contexts that are particularly favourable for housing asset accumulation and

their deployment – to policy contexts which are more restrictive. Cohorts pass through these interconnected continuums producing highly differentiated outcomes. The way in which policy regimes, demographics and economic cycles coalesce to privilege some sections of populations and disadvantage others varies across and within societies. For example, in East Asian societies, the pace and scale of urbanization, volatile house price inflation and the highly compressed period in which social and economic transformations have occurred have produced particularly sharp contrasts within and between generations. But whereas in Japan the housing asset rich are concentrated at the older end of the life course, in China it is generally an emergent, younger middle class that has been the main beneficiary of house price inflation.

Housing asset rich households have a valuable resource that has become more flexible and 'liquifiable' through neoliberal policies. However, while that flexibility offers positional advantage it also involves new risks with rising indebtedness. The fundamental risk is that a global boom becomes a global bust in which the most 'overgeared' and financially vulnerable households find themselves with unsustainable debt levels. There have been numerous predictions of imminent housing market collapse over the last decade. So far it has not happened but recent trends in the US housing market suggest that the longstanding housing boom may finally be faltering (US Department of Housing and Urban Development, 2006).

The article also suggested that the financialization of housing has involved a shift in governance structures with a greater influence of global organizations and financial institutions in risk management and monitoring – underlining the significance of housing assets for the global economy. However, it is also the case that growing housing related wealth and the greater opportunities to mobilize that wealth offer policy opportunities for national governments seeking new sources of revenue, fiscal savings and more progressive social outcomes. If we enter a post-neoliberal policy environment it is likely to involve a greater capture of housing wealth for redistributional purposes. Younger cohorts of asset rich homeowners may thus face a less benign policy environment compared with their older counterparts.

For the moment, however, the trends are regressive rather than progressive. Access to decent housing, good education, good health and a generally comfortable lifestyle is increasingly dependent on private means and the differential ability to accumulate, retain and mobilize housing wealth within households and across generations has become an important factor in determining access to those key resources.

ACKNOWLEDGEMENTS

This article has been prepared as part of the initial background work for a project supported by the UK Economic and Social Research Council–Housing Assets and Intergenerational Dynamics in East Asian Societies, RES 062–23–0187.

REFERENCES

Bank for International Settlements (2002) *72nd Annual Report*. Basel: Bank for International Settlements.

Bellamy, J. F. (2006) 'The Household Debt Bubble', *Monthly Review* 58(1), accessed 25 June 2007, http://www.monthlyreview.org/0506jbf.htm

Boelhouwer, P., Doling, J., Elsinga, M. and Ford, J. (2004) 'Playing Snakes and Ladders: Gains and Losses for Home Owners', paper presented at the European Network of Housing Researchers Conference, University of Cambridge, 2–6 July.

Boyer, R. (2000) 'The Political in the era of Globalization and Finance: Focus on some Regulation School Research', *International Journal of Urban and Regional Research* 24(2): 274–322.

Brenner, R. (2004) 'New Boom or New Bubble?', *New Left Review* 25(Second Series): 57–103.

Charles, K. and Hurst, E. (2002) 'The Transition to Home Ownership and the Black–White Wealth Gap', *Review of Economics and Statistics* 84(2): 281–97.

Chiuri, M. and Jappelli, T. (2003) 'Financial Market Imperfections and Home Ownership: A Comparative Study', *European Economic Review* 47(5): 857–75.

Council for Mortgage Lenders (2005) *Housing Finance* Issue 04. London: Council for Mortgage Lenders.

Cruz, P.C. (2006) *Global Property Guide*, accessed 21 June 2007, http://www.globalpropertyguide.com/articleread.php?article_id=68&cid=

Davis, D. (2003) 'From Welfare Benefit to Capitalized Asset: The Re-Commodification of Residential Space in Urban China', in R. Forrest and J. Lee (eds) *Housing and Social Change* (pp. 183–96). London and New York: Routledge.

Davis, M. (2004) 'Planet of Slums', *New Left Review* 26(Second Series): 5–34.

Deep, A. and Domanski, D. (2002) 'Housing Markets and Economic Growth: Lessons from the US Refinancing Boom', *Bank for International Settlements Quarterly Review* (September): 37–45.

Deileman, F. (2001) 'Panel Data in Housing Research: A Reaction to the Paper by Myers on Cohort Longitudinal Estimation of Housing Careers', *Housing Studies* 16(1): 115–21.

DTZ Research (2005) *Research Alert: The Outlook for Luxury Residential Investment in Asia*. Singapore: DTZ.

Dunleavy, P. (1979) 'The Growth of Sectoral Cleavages and the Stabilisation of State Expenditure', *Environment and Planning D: Society and Space* 4(2): 129–44.

Economist, The (2005) 'In Come the Waves', (18 June): 73–5.

Fahey, T. and Maitre, B. (2004) 'Home Ownership and Social Inequality in Ireland', in K. Kurz and H.-P. Blossfeld (eds.) *Home Ownership and Social Inequality in Comparative Perspective* (pp. 281–303). Stanford, CA: Stanford University Press.

Farlow, A. (2005) 'UK House Prices, Consumption and GDP in a Global Context', Department of Economics, Oxford University, accessed 22 June 2007, http://www.economics.ox.ac.uk/members/andrew.farlow/

Fielding, A.J. (1992) 'Migration and Social Mobility: The South-East as an Escalator Region', *Regional Studies* 26(1): 1–15.

Forrest, R. (2007) 'Globalisation, Governance and the Housing Market', in P. Kennett (ed.) *Globalisation, Governance and Public Policy*. Cheltenham: Edgar Elgar.

Forrest, R. and Kennett, P. (1996) 'Coping Strategies, Housing Careers and Households with Negative Equity', *Journal of Social Policy* 25(3): 369–94.

Forrest, R. and Murie, A. (1989) 'Differential Accumulation: Wealth, Inheritance and Housing Policy Reconsidered', *Policy and Politics* 19(2): 109–18.

Forrest, R. and Murie, A. (eds) (1995) *Housing and Family Wealth*. London: Routledge.

Forrest, R., Murie, A. and Williams, P. (1990) *Home Ownership: Fragmentation and Differentiation*. London: Routledge.

Forrest, R., Kennett, P. and Izuhara, M. (2003) 'Home Ownership and Economic Change in Japan', *Housing Studies* 18(3): 277–93.

Forrest, R. and Lee, J. (2004) 'Cohort Effects, Differential Accumulation and Hong Kong's Volatile Housing Market', *Urban Studies* 41(11): 2181–96.

Guardian (2005) 'Wealth tax Hits Poor Pensioners of Paris', (17 June): 18.

Gulbrandsen, L. (2004) 'Home Ownership and Social Inequality in Norway', in K. Kurz and H.-P. Blossfeld (eds) *Home Ownership and Social Inequality in Comparative Perspective*. Stanford, CA: Stanford University Press.

Harloe, M. (1995) *The People's Home?* Oxford: Blackwell.

Herring, R. and Wachter, S. (1998) 'Real Estate Booms and Banking Busts: An International Perspective', paper presented at the Wharton Conference on Asian Twin Financial Crisis, March, Long Term Credit Bank, Tokyo.

Hirayama, Y. (2005) 'Running Hot and Cold in the Urban Home Ownership Market: The Experience of Japan's Major Cities', *Journal of Housing and the Built Environment* 20(1): 1–20.

International Monetary Fund (IMF) (2004) *World Economic Outlook*, September. Washington, DC: IMF.

Jones Lang LaSalle (2003) *Rising Urban Stars: Uncovering Future Winners*, May. Chicago, IL: Jones Lang LaSalle Research.

Kemeny, J. (1981) *The Myth of Home Ownership*. London: Routledge.

Kosareva, N. and Struyk, R. (1993) 'Housing Privatization in the Russian Federation', *Housing Policy Debate* 4(1): 81–100.

Kurz, K. and Blossfeld, H.-P. (eds) (2004) *Home Ownership and Social Inequality in Comparative Perspective*. Stanford, CA: Stanford University Press.

Lelievre, E. and Bonvalet, C. (1994) 'A Compared Cohort History of Residential Mobility, Social Change and Home Ownership in Paris and the Rest of France', *Urban Studies* 31(10): 1647–65.

Ley, D. and Tutchener, J. (2001) 'Immigration, Globalisation and House Prices in Canada's Gateway Cities', *Housing Studies* 16(2): 199–223.

Maxwell, D. and Sodha, S. (2006) *Housing Wealth: First Timers to Old Timers*. London: Institute for Public Policy Research.

Myers, D. (1999) 'Cohort Longitudinal Estimation of Housing Careers', *Housing Studies* 14(4): 473–90.

Nakagawa, S. (1999) *Why has Japan's Household Savings Rate Remained High Even During the 1990s?* Tokyo: Research and Statistics Division, Bank of Japan.

National Association of Realtors (2005) *Foreign Investment in U.S. Real Estate: Current Trends and Historical Perspective*. Chicago, IL: National Association of Realtors.

National Center for Real Estate Research (2004) *Housing Wealth Effects*. Chicago, IL: National Association of Realtors.

O'Dywer, L.A. (2001) 'The Impact of Housing Inheritance on the Distribution of Wealth in Australia', *Australian Journal of Political Science* 39(1): 83–100.

Oliver, M. and Shapiro, T. (1995) *Black Wealth, White Wealth: A New Perspective on Racial Inequality*. London: Routledge.

Rex, J. and Moore, R. (1967) *Race, Community and Conflict*. Oxford: Oxford University Press.

Rossi, P. (1980) *Why People Move*. Glencoe, IL: Free Press.

Rowlingson, K. and McKay, S. (2005) 'Attitudes to Housing Assets and Inheritance', *Housing Finance* 10: 1–11.

Saunders, P. (1978) 'Domestic Property and Social Class', *International Journal of Urban and Regional Research* 2: 233–51.

Schenk, H. (2005) 'Residents of Hanoi's Socialist Apartments: A Legacy of Continuity and Some Change After Vietnam's Economic Transition', paper presented at the Asia Pacific Network of Housing Researchers conference, Kobe, 6–8 September.

Shapiro, O. (2004) *The Hidden Cost of Being African-American: How Wealth Perpetuates Inequality*. New York: Oxford University Press.

Shiller, R. (2005) 'The Next Bubble (or Bust)', *World Economic Forum Global Agenda*, Issue No. 3, Annual Meeting, Davos, Switzerland (pp. 106–7).

Smith, N. (2002) 'New Globalism, New Urbanism: Gentrification as Global Urban Strategy', *Antipode* 34(3): 427–50.

Spilerman, S. (2000a) 'Wealth and Stratification Processes', *Annual Review of Sociology* 26: 497–524.

Spilerman, S. (2000b) 'Parental Wealth and the Living Standards of Young Couples in Israel', Working Paper No. 5, Centre for Social Development, Washington University.

United Nations Human Settlements Programme (UNHSP) (2003) *The Challenge of Slums*. London: Earthscan.

US Department of Housing and Urban Development (HUD) (2006) *US Housing Market Conditions*, 3rd Quarter. Washington: HUD.

Zhang, P. (2006) 'A Trillion Pound Success Story', *Housing Finance* 6: 1–11.

Zhu, H. (2003) 'The Importance of Property Markets for Monetary Policy and Fiscal Stability', *BIS Papers* No. 21. Basel: Bank for International Settlements.

RÉSUMÉ

Globalization et d'actifs de Logement: Les Geographies, les Demographies, et les 'Policy Convoys'

Cet article explore l'importance d'actifs de logement en formant des opportunities et des disadvantage du paysage global. De cette manière, il est concerné avec quatre problèmes clés. Premièrement, il cherche à montrer la significance croissante de richesse de logement à une échelle globale. Deuxiemment, cet article est concerné par l'impact inégal et potentiellement fractionnel d'accumulation d'actifs de logement, dans et entre les sociétés. Troisiemment, cet article cherche à montrer comment le context économique, le context geo-démographique, et le context politique combinent de produire les résultats different pour les différents groupes de population. Quatrièmement, cet article discute la manière dans quel des régimes de logement et d'accumulation de richesse immobilière sont plus axés sur le marché et qui changent l'environnement social de polititique. L'argument fondamental de cet article est ce que le dynamique du marché de l'habitation et l'actifs de logement sont d'importance croissante en ce qui concerne le relation des configurations contemporaines de risque, d'occasion, de la vulnérabilité, et du privilège et ils doivent être embrassés plus au cours de la discussion sociale de politique.

RESUMEN

La Globalización y el Valor del Activo Vivienda: Geografías, Demografías y Transmisión de la Política Social

El presente documento examina la importancia del activo vivienda en la formación del paisaje global de oportunidades y carencias. Se trata de cuatro asuntos fundamentales. En primer lugar, trata de destacar la importancia creciente de la riqueza relacionada con las viviendas a escala global. En segundo lugar se interesa en el impacto desigual y potencialmente divisivo de la acumulación del activo vivienda, entre y dentro de las sociedades. En tercer lugar trata de mostrar la manera en que los contextos económicos y geodemográficas, y los contextos de política, se unen para producir varias consecuencias para las diferentes cohortes de la populación. Finalmente, analiza la manera en que el aumento de sistemas de viviendas dirigidos por el mercado, y la acumulación de riqueza por viviendas, están cambiando el medio de la política social. El subyacente razonamiento del documento es así: que la dinámica de los mercados de la vivienda y del activo vivienda son cada vez más importantes con relación a las pautas contemporáneas de riesgo, oportunidad, vulnerabilidad y privilegio. Por esta razón, deberían recibir más atención en la cuestión de la política social.

BIOGRAPHICAL NOTE

RAY FORREST is Professor of Urban Studies in the School for Policy Studies at the University of Bristol and Associate Director of the Centre for East Asian Studies at Bristol. He is currently joint editor of *Housing Studies* and co-editor of *Asian Public Policy.* He is a founding member of the Asia-Pacific Network of Housing Researchers and is an adjunct Professor at the City University of Hong Kong. Please address correspondence to Ray Forrest, School for Policy Studies and Centre for East Asian Studies, 8 Priory Road, University of Bristol, Bristol BS8 4TB, UK. [email: R.Forrest@bristol.ac.uk]

From Structural Adjustment to Social Adjustment

A Gendered Analysis of Conditional Cash Transfer Programmes in Mexico and Nicaragua

SARAH BRADSHAW
Middlesex University, UK

ABSTRACT The article explores the implications for gender roles and relations in Nicaragua of implementing a Conditional Cash Transfer programme aimed at improving the situation of the extreme poor. Nicaragua's programme, the Social Protection Network/Red de Protección Social (RPS), is modelled on the Progresa/Oportunidades programme of Mexico and shares many features in common. Evaluations of Progresa have suggested positive outcomes for women. However, examination of the findings highlight some cause for concern particularly around what inclusion on the programme means for the women involved. The article explores the consequences of translating this programme aimed at addressing the structural causes of poverty into a more overtly neoliberal and neo-conservative policy context such as that in Nicaragua. It highlights how a key feature of the RPS is the 'social adjustment' of women's behaviour for economic growth gains and discusses the possible consequences for the women included and excluded from the programme.

KEYWORDS *Central America, feminization, poverty, PRSP, social safety nets*

In recent years there has been a renewed interest by international development agencies in the role of social policy for bringing about poverty reduction and development goals. The high social costs of the World Bank and

International Monetary Fund's (IMF) Structural Adjustment Programmes (SAPs) and continued high levels of poverty across the Third World have led to the re-emergence of social protection initiatives, particularly in Latin America. The International Financial Institutions (IFIs) have demonstrated an increasing interest in the role of social policy as a route to reducing poverty, to the extent that a recent internal World Bank evaluation suggested the need for the Bank to refocus on economic growth (PovertyNet, 2005). However, critics have noted that agencies such as the World Bank have tended to merely 'add on' social policies to existing macroeconomic policies rather than seeking to redesign them (Elson, 2004: 64). A general process to 'project-ize' and 'micro-tize' social policy has been noted (Tendler, 2004: 119) that moves away from universalizing policies designed to tackle the structural problem of poverty toward a focus on specific targeted actions (ECLAC, 2004). At the same time a 'feminisation of responsibility and obligation' has been documented where women are assuming greater liability for dealing with poverty and have progressively less choice other than to do so (Chant, 2006). World Bank research in the early 2000s highlighted the efficiency gains from channelling resources through women (World Bank Gender and Development Group, 2003) and the idea that investing in women is one of the most efficient routes to ensuring development aims has led to a 'generalised bid to alleviate poverty primarily, or even exclusively, through women' (Chant, 2003a: 27) or a 'feminisation of poverty alleviation' (Chant, 2008).

Conditional Cash Transfers (CCTs) have become a popular policy tool in this context. CCTs provide cash transfers, most usually to women, that are aimed at improving the health, nutrition and education of children within the household and are contingent upon gains in these areas. One of the most successful CCT programmes in recent years has been the Mexican government's programme Progresa (later renamed as Oportunidades). The Mexican government has made great claims in terms of the role of Progresa/Oportunidades in improving the well-being of the poor in general and the situation of women and children in particular (SEDESOL, 2004a, b). This has led the World Bank to promote Oportunidades as a model on which to base social safety net programmes in the countries in which it has a policy influence (SEDESOL 2003). The Oportunidades model has formed the basis for a key component of the social safety net provision within the World Bank and IMF sponsored poverty reduction initiative in Nicaragua. Nicaragua's social protection network – The Red de Protección Social (RPS) – has been cited as one of the most successful CCTs (Rawlings, 2004) and while the RPS is more expensive than Oportunidades to implement, it has been suggested that the results have been even more impressive (Maluccio and Flores, 2004: 65).

The article considers the implications of implementing an Oportunidades style CCT programme in the Nicaraguan poverty and policy context. In particular it examines the potential impact of such an initiative on gender roles and relations. It begins by providing a brief introduction to the policy context

that has led to the emergence of CCTs as a popular policy tool, before going on to examine the components of the Oportunidades programme and the claims for gender advancement made by the programme to date. The article then describes the Nicaraguan policy context and the role of the RPS within this. It subjects the Nicaraguan programme to a gender analysis that highlights the possible negative implications for both the women included and the women excluded from the programme. The article highlights the inherent gender bias within what is presented as a model for 'gendered' social protection programmes and demonstrates that such inherent biases can be magnified when a poverty alleviation programme designed in one policy context is translated into a distinct poverty and policy context.

Social Policy in the Development Context

The late 1970s brought cut backs in social expenditure across the developing world as part of the decade of World Bank and IMF neoliberal reforms designed to 'adjust' economies in the wake of the oil and debt crises. During the 1980s women were the invisible army who bore the costs of Structural Adjustment Programmes (Afshar and Dennis, 1992; Elson 1991; Sparr 1994). By the end of the 1980s, however, the need for a social element to ameliorate the worst effects of SAPs had been recognized (Cornia et al., 1987). This, coupled with the recognition of the need to integrate poor women into the market led a number of South American countries to adopt strategies targeting those groups most clearly excluded or victimized by SAPs, such as women and female-headed households in a programme of what Alvarez (1999) has termed 'social adjustment'. Recognition of the limited success of Structural Adjustment, even with a 'human face' (Cornia et al., 1987), and the continued high levels of both poverty and indebtedness in many countries saw poverty begin to move up the development policy agenda. During the 1990s, social policy was refashioned to reflect changing priorities and women became more visible (Molyneux, 2006). In recent years female poverty has received more policy attention, as has the role of women in poverty alleviation (Chant, 2008).

In recent years World Bank research has also begun to highlight the important role women can play in ensuring policy goals are met, recognizing the link between reduced gender inequality and economic growth (Dollar and Gatti, 1999; Klasen, 1999) and highlighting the efficiency gains from channelling resources through women (World Bank Gender and Development Group, 2003: 15). Chant (2008: 19) notes that dealing with poverty is 'arguably as onerous and exploitative as suffering poverty' and suggests that instead of development working for women, women are now working for development. This may help to explain why a recent study by ECLAC (2004) found that the percentage of women participating in

poverty reduction programmes was actually much higher than the percentage of women identified as poor.

Recognizing women as a more efficient transmission mechanism of resources, the majority of CCT programmes have targeted women as 'beneficiaries' of resources aimed at improving the health and education of the children in their care. This targeting rests on the explicit recognition of women's greater commitment to the well-being of their families by programmes such as Oportunidades (Gómez-Hermosillo, 2005; SEDESOL, 2004a). This suggests an implicit understanding also exists that men and male heads do not show such commitment. Research shows that women tend to use all their income to improve the situation of the household while men often withhold income from the household for personal consumption, which places women and children who depend on that income in a situation of 'secondary poverty' (Dwyer and Bruce, 1988). Targeting resources at women is designed to circumvent the problem of men misusing the resources provided to them and ensuring they are delivered to the intended, child, recipients.

CCT programmes seek to alter the behaviour of the poor in order that they are better able to care for themselves. Co-responsibility is a key feature of programmes such as Oportunidades and this reflects the fact that social security is no longer seen as residing solely with the state, and instead now involves a co-management of risk where the family too must play their part (Molyneux, 2006). Cash transfers are then contingent on the appropriate behavioural change of poor families, including greater investment in the health and education, the human capital, of their children. The 'good' behaviour of children is the responsibility of women as mothers, and as those targeted with the resources, to ensure. Despite recognition that such targeting exploits the social image of women and hides the displacement of public responsibilities to the private arena, ECLAC among others have suggested that women's involvement in these programmes may have 'empowered them and increased their self-confidence' (ECLAC, 2004: 55). While women's 'empowerment' may be a potentially positive byproduct of CCT programmes, the advancement of women is not a central aim. As such female participants in CCT programmes, as Molyneux (2006) suggests, may be at the service of this New Poverty Agenda rather than served by this agenda.

The Oportunidades Model

Mexico's economic crisis of 1995 and the resultant rise in poverty led the Mexican government to progressively change its poverty reduction strategy ending 'universal tortilla subsidies' and instead funding new investment in human capital (Wodon et al., 2003: 1). The programme was initiated in 1997 and by 1999 operated in 31 of the 32 Mexican states, in 50,000 localities and 2000 municipalities. In 2005, the programme distributed nearly US$3000m to

its 4,923,941 beneficiary families (SEDESOL, 2004b).[1] The president of the Inter-American Development Bank and the vice president of the World Bank coincide in their support for the Oportunidades programme (SEDESOL, 2003, 2005a). Evaluations undertaken to date by independent consultants in general also highlight how successful it has been (see Adato, 2000; Adato et al., 2000; CIESAS, 2002; Escobar and González de la Rocha, 2003, 2005; Parker and Skoufias, 2000; Schultz, 2001; Skoufias et al., 2001; Wodon et al., 2003).

The central component of Oportunidades is a cash transfer representing an average 19.5% of the income of the households in the programme (Hoddinott et al., 2000). The cash transfers are given to women and are designed to improve the health of young children, to ensure children enrol and progress through school and to improve nutritional levels generally. The 'food grant' is a fixed sum transfer but the amount received for education varies, increasing as the child progresses through grades 3 to 6 of primary school. In secondary school the amount not only varies by grade but also by sex, with girls receiving a higher grant than boys. Co-responsibility criteria mean cash is contingent on successful progress by the children enrolled in the programme in reaching health and education targets. Aside from ensuring school attendance and accompanying their children for health checks, cash is also contingent on the women beneficiaries attending workshops and talks on related health, nutrition and hygiene themes.

Studies of Oportunidades have noted the high time burden of participating in such programmes (Escobar and González de la Rocha, 2003: 46) and the fact that compulsory attendance criteria works against women engaged in income generating activities. A 2002 evaluation of Oportunidades found women who live in non-nuclear households, including households headed by women, and those women engaged in productive activities are less likely to be beneficiaries of the programme (CIESAS, 2002: 39), which is interesting given the often-assumed status of female-headed households as the 'poorest of the poor' (see Chant, 2003b, 2004; Jackson, 1998). A later evaluation highlights how productive and reproductive work of women can lead to their being thrown out of the programme for non-fulfilment of the programme's criteria (Escobar and González de la Rocha, 2005: 56).

There is no question that Oportunidades has produced some impressive results, for example, 85% increase in the number of young people enrolled in primary education in rural areas, an increase of 24% enrolment in secondary schools, a 16% increase in height and weight of children under three years of age and an 11% decrease in the maternal mortality rate (SEDESOL, 2004b). The wider implications of these results have also been noted as improving longer-term efficiency and equity of 'development'. In terms of the latter, the designers of Oportunidades claim that the programme brings about affirmative actions to prevent the violation of the rights of all the population, particularly women (SEDESOL, 2005b).

The programme highlights the increased enrolment of girls in secondary school and higher education as exemplifying its promotion of gendered rights.

This increased enrolment has been achieved through investing 100,000 Mexican pesos more in support of the education of young women compared to young men. This extra investment not only supports the higher number of girls in school, but also allows the programme to offer a slightly higher cash incentive to parents to keep girls in school. The assumption is that education is less valued for girls than for boys, in particular by men (Adato et al., 2000). This echoes recent World Bank reasoning that families' willingness to school, feed and provide health care to girls is far more strongly determined by income and the costs of providing these services than is the case for boys (World Bank Gender and Development Group, 2003). To counter this Oportunidades offers slightly higher cash transfers to parents to keep girl children in secondary school, targeting these payments at women. An early study of Oportunidades, however, demonstrated that women beneficiaries were unaware of the reasoning behind the higher grant, understanding the difference in the amount received to reflect the fact that there were more expenses associated with sending girls to school, such as those related to personal appearance and menstruation (Adato et al., 2000: 78). The incentive is thus lost, since costs related to girls' schooling are actually perceived to be higher. Moreover, the programme may inadvertently reinforce gender stereotyping by being seen to provide for additional gendered costs associated with personal appearance.

All transfers, not just those related to girls' education, are deliberately targeted to women and the programme's authors see this as important for challenging gender roles and relations (SEDESOL, 2004a, 2005b). Although the programme does not claim to be primarily concerned with women's empowerment it is suggested that by putting resources in the hands of women and by 'encouraging women not to turn over the money to their husbands' the programme can be seen to be concerned with empowerment of women, both beneficiary women and, via education, their daughters as future women (Adato et al., 2000: 52). As Molyneux (2006) notes, the current focus appears to represent a continuum with earlier Women in Development approaches that sought to 'integrate' women into development without tackling the underlying cause of gender inequality. Statements such as 'encouraging women not to turn over the money to their husbands' suggest the programme is constructing women, rather than inequalities of power, as 'the problem'. The promoters of Oportunidades, however, claim to address issues of power not only through monetary transfers to women but by requiring women to leave their homes to claim the transfers, by encouraging their participation in community meetings, and by requiring visits to health facilities and in this way they suggest Oportunidades has the potential to affect women's bargaining power within the household (Adato et al., 2000: 3). However, in line with theoretical thinking around household functioning (Agarwal, 1997; Sen, 1987, 1990), early empirical findings did not entirely support these claims, finding the monetary transfers to be crucial in bringing about any changes in patterns of decision-making within households (Adato et al., 2000: 16).

In terms of decision-making Wodon et al. (2003: 2) suggest that over time, women became more likely to decide by themselves on the use of their extra income from the programme. The study by Adato et al. (2000) found a decline in husbands alone making decisions in a number of areas; medical treatment for children, school attendance and the purchase of children's clothing, with some effect on food expenditure decisions and those around house repairs. That is, while men may make fewer decisions alone this is in terms of decisions around activities that are traditionally constructed as 'female'. While this reduced male influence may reflect a change in gender relations, at the same time it may reinforce traditional gendered norms and responsibilities, constructing women as those responsible for ensuring the financial as well as social care of children and children's needs.

It could be assumed that Oportunidades has led to increased tensions within households given these changes and its 'empowering' effect on women. However, all evaluations to date, where relations within households are considered, have tended to dismiss the notion of increased tension or violence, suggesting, for example, that there is no evidence of Oportunidades being the cause of violence within the home only that 'program requirements may provoke instances of it [violence] in households where it already exists' (Adato et al., 2000: 61). That is among the nearly one third of adult women who report having experienced violence at the hands of a partner at some time in their lifetime (Ellsberg et al., 1998; Heise et al., 1999). The study by Escobar and González de la Rocha (2003: 55) suggests that the greater solidarity between women in the programme actually allows them to respond better to situations such as instances of violence against women. Adato (2000: 23) similarly talks of increased solidarity within the programme, suggesting the Oportunidades/Progresa programme may to some extent create a new identity for beneficiaries as 'Progresa Women'. However, increased social cohesion within the programme may lead to increased social divisions outside the programme, as one doctor involved in the programme notes ' … friends or godmothers of each others' babies have stopped talking to each other, and since one is in the programme the other one throws garbage at her … ' (cited in Adato, 2000: 21).

Studies have attempted to show how tensions caused by the programme have been reconciled in communities and in the home. In terms of problems in the home, a health promoter working with Oportunidades notes, 'The men do scold them [their wives], but when they come home with the money, they are very satisfied'. Similarly a beneficiary of the programme notes ' … and he says to me, if you won't be here to give me the meal it is OK. You just prepare it and then go' (cited in Adato et al., 2000: 60). While men may 'scold' women they do allow women to participate, because of the monetary gains this brings. There appears to be no evidence, however, that they change their own behaviour to reflect the changing role of their wives. As long as women are fulfilling their commitments to men and in the home, and are bringing monetary resources to the household, then it is rational for men to support the programme as the

benefits of women's involvement in Oportunidades will outweigh any costs. While recognizing the increased workload the programme represents for women Adato et al. (2000: 53) conclude that this increase in time burden is 'clearly a price they [women] are willing to pay for domestic harmony' and see it as a 'strategic choice' on behalf of women. In contrast participants have highlighted how they felt discriminated against by the programme's demands on their time, that some activities they felt obliged to perform offended their dignity, and have questioned the rather one sided nature of 'co'-responsibility (see Molyneux, 2006).

ECLAC (2004: 57) suggest that one of the biggest problems with women targeted initiatives has been that actions have not recognized unequal power relations within households and rather that they assume that relations within the household are equitable. The problem with the Oportunidades model is not so much that it does not recognize issues of unequal power within households, but that this recognition is implicit rather than explicit. The targeting of resources at women is based on notions of how incomes are used within households, or misused by men within households. It also relies on the socially constructed altruism of women to make 'strategic choices' that better the welfare of the whole household rather than their own. Targeting resources at women means that men's behaviour is implicitly recognized as problematic but is not addressed, while the personal deprivation suffered by women through their altruism is not problematized but explicitly reinforced as the social norm. Rather than tackling the issue of secondary poverty and unequal power relations, therefore, to some extent Oportunidades presents a model of how to circumvent the problem. This is a model that has been used as the basis for a number of CCT programmes, including that of Nicaragua.

Applying the Oportunidades Model: The Red de Protección Social

THE NICARAGUAN POVERTY AND POLICY CONTEXT

In 1999 the World Bank and the IMF in the face of increasing criticism around the lack of success of Structural Adjustment programmes launched the Poverty Reduction Strategy Papers (PRSP) initiative. The PRSP process was said to mark a new era for the International Financial Institutions (IFIs) not only marking a new closer relationship between the two but also a new relationship between them and the countries with which they have continued policy influence under the Heavily Indebted Poor Countries (HIPC II) initiative. Countries accepted onto the HIPC must be both highly poor and highly in debt and have spent a minimum number of years implementing a SAP. Once accepted to be eligible for debt relief and further concessionary funding under the initiative countries must produce a PRSP. While production of a PRSP is a condition 'imposed' by the IFIs the content of a PRSP is not predetermined

but rather PRSPs are said to be country owned and designed though national participatory processes, with the assistance of the World Bank.

This change in the way of doing business is also reflected in what the World Bank at least suggests should be included in a PRSP. The core elements include labour intensive economic growth, human capital investment, good governance and social safety nets for the most vulnerable. Despite the addition of more 'social' elements external analysts have questioned the newness of the PRSP process suggesting it to continue with, rather than break from, past policy prescriptions (Booth, 2003; Bradshaw and Linneker, 2003a; Cammack, 2002). Amidst renewed debates around the ability of economic growth to reduce poverty and inequality directly (Dollar and Kray, 2000; Oxfam, 2000; Weisbrot et al., 2000), the inclusion of social safety nets suggests the World Bank does at least appear to have accepted that economic growth will not instantly 'trickle down' to the most vulnerable.

Nicaragua entered onto HIPC II in 2000 and after producing a PRSP reached full completion point in 2004 (see Bradshaw and Linneker, 2003a, b). The PRSP mirrors very closely the guidelines laid out by the World Bank and the policy focus of the IMF. The PRSP of Nicaragua has a strong economic growth focus, as its name, 'The Strengthened Strategy for Economic Growth and Poverty Reduction', highlights. A review of the PRSP by the Bank and the Government in 2001 revealed that many of the programmes analysed lacked a clear target group or poverty focus, and most had no evidence of outcomes or impact (Vermehren, 2002). The RPS is the project most clearly aimed at tackling poverty within the PRSP programme, yet it remains low on the Government's policy agenda being assigned only 0.6% of resources generated under the HIPC II debt relief (Overseas Development Institute [ODI], 2005: 4). Introduced in 2000 the pilot phase of the RPS predates the full PRSP, and, as with Oportunidades, the main source of funding for the RPS is the Inter-American Development Bank with only a small contribution from the Nicaraguan Government and now from the World Bank.[2] In order to reach all households in extreme poverty, approximately US$60m would be necessary per year (Vermehren, 2002). At present the RPS reaches only around 2.5% of the extreme poor.

The limitations in coverage of the RPS are compounded by selection criteria. The choice of localities for inclusion within the RPS is not only based on poverty criteria. Those areas deemed sufficiently poor are then screened according to a number of indicators with the final criteria being the relative 'productive potential' of the different areas (Government of Nicaragua, 2002). The economic growth focus even of this social safety net programme is clear, and stands in contrast to the poverty focus of the Oportunidades programme. An official of Oportunidades recently described Oportunidades related programmes as 'designed to deal with structural poverty. They are static programs. The question is how, when and even whether you should

take someone off a program' (IDBAmerica, 2005). In contrast in the RPS each beneficiary family is enrolled for a set period of three years. As such the RPS is clearly a targeted micro project within a wider set of economic growth policies, rather than a universalizing poverty reduction policy as envisaged by those who designed the Oportunidades programme upon which it is based.

However, despite these limitations, and although the RPS is more expensive than Oportunidades to implement, it has been suggested that the results have been even more impressive (Maluccio and Flores, 2004: 65). An independent evaluation of the pilot phase concluded that the RPS produced a 'massive' average net increase in school enrolment of 17.7 percentage points. In health, achievements included a 5% decline in the number of children whose growth was stunted, something that they note very few programmes have managed to achieve in such as short time (Maluccio and Flores, 2004: 64). The only existing qualitative evaluation of the programme also concludes that the RPS has made a 'profound' difference in the lives of the beneficiaries and their children (Adato and Roopnaraine, 2004: 97).

THE RED DE PROTECCIÓN SOCIAL

While coverage of the RPS is limited over both space and time, for those that do benefit from it, the benefits, both cash and in-kind, are quite substantial. The RPS provides three types of grants:

- Education grant, US$15 every two months, plus an additional US$25 dollars per year, for each child enrolled in school, for the purchase of school supplies.
- Food security grant of US$42 every three months, which is reduced to US$36 and US$32 dollars during the second and third year respectively.
- Health grant of up to US$90 per family per year to cover payments to private providers of health-related services (ODI, 2005: 2).

Pilot households initially received cash transfers of an average 18% of household income, an amount similar to the transfers received under Oportunidades. These transfers were linked to displaying 'good' behaviour, such as enrolling children in school and ensuring vaccinations are up to date. However, transfers were not linked to inflation and their value declined by 8% during the first two years of implementation (Maluccio and Flores, 2004: 8). Moreover, the perceived success of the RPS during the pilot phase led its designers and funders to conclude that targets could be reached in a more 'cost effective' manner (Inter-American Development Bank [IADB], 2003) finding that families would change their behaviour to suit the programme's objectives with very little incentive (International Food Policy Research Institute [IFPRI], 2005). Accordingly, during phase II the amount of the cash transfers received by a household declines over the three years they are enrolled in the programme, resulting in a loss of US$182 per household in

phase II of the project (compared to households in phase I) or a near 30% decline in cash transfers. Studies of Oportunidades suggest that the cash transfer might be key for bringing about changes in gendered decision-making in the household. The lower cash transfers in the RPS may therefore have important consequences in terms of bringing the changes in gender roles and relations alleged to have occurred through Oportunidades.

The Government's documentation around the RPS promotes explicitly the need to change the behaviour of families (Government of Nicaragua, 2002) and the need to promote a 'responsible attitude' among families (IADB, 2003). The finding that families would 'change' their behaviour with very little incentive calls into question the notion underlying the programme that families do not know how to behave and suggests not a lack of willingness to display 'good' behaviour but the lack of resources that enable them to do so. For example, studies from Nicaragua highlight how the poor do value education, including education for girls (Bradshaw, 2002a; CIET–CCER, 2001).

It is interesting to note that why poor women value education may differ from why the authors of safety net programmes value education. For the latter the focus on investment in education is on productivity gains to be had from a healthy and educated work force, that is, an economic growth focus. However, studies suggest education is valued by Nicaraguan women in social as much as economic terms. For young men it is seen as important in terms of what they will not become, rather than what they will be enabled to become, that is, education is seen as important to ensure young men do not become 'delinquents' or enter into gangs. In terms of young women the focus is on ensuring young women can 'look after' or 'defend' themselves in later life and not be 'taken in' or 'fooled' by others, most notably men; the notion that, 'When you know how to read and write you learn how to work and they [men] can't fool you' (Bradshaw, 2002a: 29). Adato et al. (2000: 74) similarly found that while women in Oportunidades ranked employment as the main positive outcome from educating girls this was seen as important not primarily for the additional income it would bring, but in the situation of marriage failure. Hence among women beneficiaries education is seen as important in relation to preventing the bad behaviour of boys and in relation to the future perceived bad behaviour of men, rather than necessarily as a good thing in itself.

Unlike Oportunidades, that seeks to promote the education of girls through providing higher scholarships for girls in secondary school, the RPS does not provide higher school grants for girls. The only 'gender' focus of the RPS comes from its focus on mothers as the 'beneficiaries' of cash transfers. Mimicking Oportunidades, it is women that have been targeted by the RPS as the receivers of the programme's resources, 'motivated by the evidence that resources controlled by women translate into greater improvements in the well being of children and the family' (IADB, 2003: 2, author's translation). RPS documentation is clear about why women are being targeted in the programme, noting that the aim is to promote the 'develop-

ment' of women in order to 'consolidate the family unit' (Government of Nicaragua, 2002: 27).

The Inter-American Development Bank who fund the RPS suggest that the programme 'directly empowers' its female beneficiaries (IADB, 2003). They go on to note that this is through building women's knowledge and skills so that they can be 'pro-active' in improving their families' health, nutrition and education. From the outset the RPS very explicitly constructs women as mothers, as objects of reproduction rather than as subjects of development. The RPS implicitly suggests that those women targeted need to learn to be better mothers, since transfers are dependent on their attending sessions focussed on better child care and family hygiene, as well as sessions on family planning. The RPS promotes a notion of what it means to be a 'good' mother, and does this within the context of promoting the family and family values. The Nicaraguan Government pledges to promote, strengthen and protect the family unit and family unity, re-establishing the values and morals of families (Government of Nicaragua, 2003). The focus on family and family values must be understood within the socio-political context of the country and the growing influence of the Church on politics and political decision-making. This power is witnessed by the fact the Church was able to ensure a recent sex education manual was banned from schools, despite the fact it was government sponsored, attacks on women's groups and members of the women's movements and by the recent vote by parliament to revoke the law allowing therapeutic abortion (see Bradshaw, 2006; Bradshaw et al., 2002).

As with Oportunidades the programme reinforces rather than challenges existing gendered divisions and any change that may come about for women will be within these gendered norms of behaviour. The independent evaluation has noted some extreme actions have been taken by some beneficiaries to comply with the behaviour requirements of the programme (see Bradshaw and Quirós Víquez, 2003). Cash transfers received by women are in part designed to ensure the improved nutrition of children in the household. In the pilot phase to continue benefiting women had to ensure a certain level of weight gain by their babies. Although this conditionality has since been dropped some women still appear to think that they must ensure a target weight is met in order to continue in the programme. There have been reported incidents of 'overfeeding' children just before a health visit in order to reach the set target, and high levels of stress for beneficiaries mindful of retaining related cash benefits (IFPRI, 2005: 3).

While targeting resources to women may increase their access to resources it may not increase their control over these resources. IFPRI (2005: 2) notes that men reported that with the transfers and related higher spending on food they ate better and had more energy to work. In terms of its impact on men, while the IFPRI study highlights that the RPS is not a disincentive to work, it notes that men have been able to spend more time working their own plots of land and working closer to home 'rather than having to travel long distances

in search of wage labour' (IFPRI, 2005: 2). This seems to suggest that the cash women receive through the RPS to some extent is being used to compensate for men's reduced waged labour. Women reported that the RPS allowed them more time to spend on childcare (IFPRI, 2005: 2) presumably also through reducing income-generating activities.

The household dynamics that occur when new monetary resources or a new source of monetary resources are introduced into the home are little studied and little understood in the present policy context. One study of Oportunidades noted that women had been using the cash transfers they received to buy things that in the past they would have asked their husbands to buy; however, the study concluded the prevalence of this was low and evidence anecdotal (Adato et al., 2000). Existing research from Mexico might call into question this conclusion (Chant, 2003b), as would recent research from Nicaragua (Bradshaw, 2002b). In the Nicaraguan study, in the communities surveyed 43% of women reported that their partner withheld earnings for personal consumption, which in 1 in 10 households represented 50% of his income. Perhaps more importantly women engaged in income-generating activities were more likely to report these high levels of income being withheld compared to women who did not bring money into the home. That is the study suggests that when women bring resources into the household rather than seeing this as complementing their own incomes, men may view this as substituting for them, withholding an equivalent proportion of their own income as a consequence. As such those within the targeted households may not be necessarily economically better off through participating in the programme as while overall household income increases, income available to women and children may stay constant or increase less.

Models of household functioning suggest monetary contribution to the household in part determines the ability to make decisions about the household (see Agarwal, 1997; Sen, 1987, 1990) and as such women's non-financial position may improve within the household through the access to resources participation in the programme brings. However, what is important in determining relative 'bargaining power' is not monetary contribution per se, but the value placed on this contribution by those in the household. Relative value or worth of each member, as they themselves and as others perceive this, is the key factor in determining bargaining power. There are very few studies that have considered how the way income is generated affects the relative value placed on that income within the household. A study of reconstruction projects post-hurricane Mitch in Nicaragua (Bradshaw, 2001) suggests that money received by women through participation in reconstruction projects was not valued highly by men or by the women themselves. As such the wider social benefits for women from their participation in projects was questioned.

Limited benefits for women from their participation in projects may be compounded in the case of projects like the RPS by the fact the provision of basic household goods is being constructed through the design of the programme as

the responsibility of women. This 'feminisation of obligation' may bring a decline in the value placed on its fulfilment relative to other household obligations that continue to be constructed as male and there may be little change to the relative position of women and men within the home. However, at the same time the programme's design implicitly constructs women within the programme as having and developing certain characteristics or behaviours distinct from and better than women outside the programme. These characteristics focus on behaviour associated with 'good' mothering, such as breast feeding or family hygiene. Those outside the programme may become understood by what they are not, or as 'bad' mothers and somehow lesser women. If those outside the programme are women involved in income-generating activities and/or female heads of household, such programmes may further reinforce existing divisions and notions of what is acceptable and, more importantly, what is not acceptable behaviour for women.

Conclusions

This article has examined two Conditional Cash Transfer programmes deemed highly effective by their authors and supporters. The Oportunidades programme in Mexico has been promoted by many as a blueprint for other interventions and has been used as a model for the World Bank backed Red de Protección Social in Nicaragua. Both have produced some impressive results in terms of school enrolment and child and maternal health and made some impressive claims about their empowering effect on women. Closer examination of claims around women's empowerment, however, suggests a need for caution.

The programmes do recognize internal household power relations in that the focus on women stems from an implicit understanding that at times men's socially constructed behaviour has a key role to play in producing and reproducing low levels of household welfare. Targeting resources at women means that men's socially constructed 'masculine' behaviour is implicitly recognized as problematic but is not addressed, while the personal deprivation suffered by women through their socially constructed altruism is not problematized but explicitly reinforced as the social norm. Women are presented as the 'solution' to the (male) problem. In order to circumvent the much harder task of changing men's behaviour, and society's view of this behaviour that allows it to be perpetuated, they are the ones targeted with resources and contingent responsibilities for behavioural change.

The criticisms economic restructuring received as a policy tool has led to a focus on combining the economic with the social, and a 'social restructuring' to change the expectations and behaviour of the poor. Women are being targeted as those responsible for ensuring these changes, both their own and those of the future generation. Behaviour change is the key to recent World Bank backed Conditional Cash Transfer programmes, which seek to provide

short-term poverty alleviation that brings about investment in human capital and allows long-term economic growth gains. Women have been given the responsibility to ensure these changes are achieved and the RPS in Nicaragua is a good example of how social policy interventions are being used to bring about a wider economic growth aim and how women are being used within these interventions. In the case of Nicaragua, however, women's responsibilities go further than ensuring household investment in human capital and must be understood within the wider socio-political context that promotes notions of re-establishing the values and morals of families and consolidating the family unit. As such the women beneficiaries are being constructed as mothers, as 'good' mothers and as modelling appropriate female behaviour. In a world of binary opposites this naturally constructs those not in keeping with the norms the programme is seeking to create as 'bad' mothers and somehow lesser or deviant women. The potential economic growth gains from this marriage of the social with the economic come at a cost. This cost is the present and possibly future well-being of women, as present day social adjustment policies reduce the chances for the equitable development of women in much the same way as the structural adjustment policies of the past did.

ACKNOWLEDGEMENTS

This article builds on a paper written in discussion with Ana Quirós Víquez and benefits greatly from her knowledge and understanding of the Nicaraguan context. An earlier version of this article was presented at Middlesex University's Social Policy Research Centre seminar series and benefited from the insightful comments of various participants. Thanks are also due to Sylvia Chant and Brian Linneker for their helpful advice and comments. This study was made possible by the continuing financial support of Progressio/International Cooperation for Development, UK.

NOTES

1. Data and documents available from: http://www.progresa.gob.mx/
2. The first phase (the pilot phase) of the RPS was implemented from 2000 to the end of 2002, and Phase II (the expansion phase) started in 2003. The first phase reached 10,093 families, in six municipalities, in two departments of the country (Madriz and Matagalpa). A positive evaluation of the pilot phase triggered the expansion of the programme reaching a further 12,500 families (IADB, 2003).

REFERENCES

Adato, M. (2000) *The Impact of PROGRESA on Community Social Relationships*, International Food Policy Research Institute, 20 September.

Adato, M. and Roopnaraine, T. (2004) Sistema de Evaluación de la Red de Protección Social de Nicaragua: Un análisis social de la 'Red de Protección Social' (RPS) en Nicaragua [Report to the Red de Protección Social]. Washington, DC: International Food Policy Research Institute.

Adato, M., De la Briere, B., Mindek, D. and Quisumbin, A. (2000) *The Impact of PROGRESA on Women's Status and Intrahousehold Relations*, International Food Policy Research Institute, Final Report, 27 July.

Afshar, H. and Dennis, C. (1992) *Women and Adjustment Policies in the Third World*. Macmillan: London.

Agarwal, B. (1997) '"Bargaining" and Gender Relations: Within and Beyond the Household', *Feminist Economics* 3(1): 1–51.

Alvarez, S. (1999) 'Advocating Feminism: The Latin American Feminist NGO "Boom"', *International Feminist Journal of Politics* 1(2): 181–209.

Booth, D. (2003) 'PRSPs: Introduction and Overview', *Development Policy Review* 21(2): 131–59.

Bradshaw, S. (2001) *Dangerous Liaisons: Women, Men and Hurricane Mitch*. Nicaragua: Puntos de Encuentro.

Bradshaw, S. (2002a) *Gendered Poverties and Power Relations: Looking inside Communities and Households in Nicaragua*. Nicaragua: Puntos de Encuentro.

Bradshaw, S. (2002b) 'Exploring the Gender Dimensions of Reconstruction Processes Post-Hurricane Mitch', *Journal of International Development* 14(6): 871–9.

Bradshaw, S. (2006) 'Is the Rights Focus the Right Focus?: Nicaraguan Responses to the Rights Agenda', *Third World Quarterly* 27(7): 1329–41.

Bradshaw, S. and Linneker, B. (2003a) *Challenging Women's Poverty: Perspectives on Gender and Poverty Reduction Strategies from Nicaragua and Honduras*, Briefing. London: CIIR–ICD.

Bradshaw, S. and Linneker, B. (2003b) 'Civil Society Responses to Poverty Reduction Strategies: The Case of Nicaragua', *Progress in Development Studies* 3(2): 146–57.

Bradshaw, S. and Quirós Víquez, A. (2003) 'A Gender Analysis of the Social Protection Network in Nicaragua', CISAS Working Papers, Nicaragua, October.

Bradshaw, S., Linneker, B. and Zuniga, R. (2002) 'Social Roles and Spatial Relations of NGOs and Civil Society' in C. McIlwaine and K. Willis (eds) *Challenges and Change in Middle America: Perspectives on Development in Mexico, Central America and the Caribbean* (pp. 243–69). Harlow: Pearson Education.

Cammack, P. (2002) 'What the World Bank Means by Poverty Reduction and Why it Matters', *New Political Economy* 9(2): 189–211.

Chant, S. (2003a) 'The "Engendering" of Poverty Analysis in Developing Regions: Progress Since the United Nations Decade for Women, and Priorities for the Future', *LSE Gender Institute New Working Paper Series* No. 11, November.

Chant, S. (2003b) 'Female Household Headship and the Feminisation of Poverty: Facts, Fictions and Forward Strategies', *LSE Gender Institute New Working Paper Series* No. 9, May.

Chant, S. (2004) 'Dangerous Equations? How Female-Headed Households Became the Poorest of the Poor: Causes, Consequences and Cautions', *IDS Bulletin* 35(4): 19–26.

Chant, S. (2006) 'Re-Thinking the "Feminisation of Poverty" in Relation to Aggregate Gender Indices', *Journal of Human Development* 7(2): 201–20.

Chant, S. (2008) 'The "Feminisation of Poverty" and the "Feminisation" of Anti-Poverty Programmes: Room for Revision?', *Journal of Development Studies* 44(2): 165–97.

CIESAS (2002) *Documento Final de Diagnóstico Cualitativo de Hogares Semiurbanos: Evaluación Progresa/Oportunidades* [Final Document of the Qualitative Diagnostic of Semi-Urban Households: Evaluation Progresa/Oportunidades], Centro de

Investigaciones y Estudios Superiores en Antropología Social, (CIESAS) Occidente, Mexico, August.

CIET–CCER (2001) *Principales Resultados de la Auditoría Social Sobre la Condición de la Pobreza: Fase 3*. Managua, Nicaragua: CIET International and the Civil Coordinator for Emergency and Reconstruction.

Cornia, G., Jolly, R. and Steward, F. (eds) (1987) *Adjustment with a Human Face*. Oxford: Clarendon Press.

Dollar, D. and Gatti, R. (1999) 'Gender Inequality, Income, and Growth: Are Good Times Good for Women?', Gender and Development Working Papers No. 1, May.

Dollar, D. and Kray, A. (2000) 'Growth is Good for the Poor', The World Bank Development Research Group, March.

Dwyer, D. and Bruce, J. (eds) (1988) *A Home Divided: Women and Income in the Third World*. Stanford, CA: Stanford University Press.

ECLAC (2004) *Roads Towards Gender Equity in Latin America and the Caribbean*, paper presented at the 9th Regional Conference on Women in Latin America and the Caribbean, Mexico City, Mexico, 10–12 June.

Ellsberg, M. et al. (1998) *Confites en el Infierno: Prevalencia y Características de la Violencia Conyugal Hacia las Mujeres en Nicaragua* [Candies in Hell: Women's Experiences of Violence in Nicaragua]. Managua, Nicaragua.

Elson, D. (1991) 'Male Bias in Macro-Economics: The Case of Structural Adjustment', in D. Elson (ed.) *Male Bias in the Development Process* (pp. 164–90). Manchester: Manchester University Press.

Elson, D. (2004) 'Social Policy and Macroeconomic Performance: Integrating the "Economic" and the "Social"', in T. Mkandawire (ed.) *Social Policy in a Development Context* (pp. 63–79). Basingstoke: Palgrave Macmillan/UNRISD.

Escobar, A. and González de la Rocha, M. (2003) 'Evaluación Cualitativa del Programa de Desarrollo Humano Oportunidades: Seguimiento de Impacto 2001–2002: Documento Final de Diagnóstico Cualitativo de Hogares Semiurbanos' [Qualitative Evaluation of the Human Development Programme, Oportunidades: Monitoring Impact 2001–2002: Final Qualitative Diagnostic of Semi-Urban Households], *Serie Documentos de Investigación 3*, Secretaria de Desarrollo Social, Mexico, June.

Escobar, A. and González de la Rocha, M. (2005) *Documento de Evaluación Evaluación Cualitativa de Mediano Plazo del Programa Oportunidades en Zonas Rurales* [Evaluation Document: Medium Term Qualitative Evaluation of the Oportunidades Programme in Rural Areas]. Mexico: Instituto Nacional de Salud Pública.

Gómez-Hermosillo, R. (2005) 'Con Oportunidades las Mujeres Mejoran sus Condiciones de Vida e Incrementan su Autonomía' [With Oportunidades Women Improve their Standard of Living and Increase their Autonomy], Coordinación Nacional del Programa de Desarrollo Humano Oportunidades, Dirección General Adjunta de Comunicación y Difusión. México, DF, 26 November.

Government of Nicaragua (2002) *Reglamento Operativo de la Red de Protección Social, Fase II* [Operative Regulations for the Social Protection Network, Phase II], Gobierno de la República de Nicaragua, Ministerio de la Familia, November.

Government of Nicaragua (2003) *Bases para una Nicaragua Prospera* [The Basis for a Prosperous Nicaragua], March.

Heise, L., Ellsberg, M. and Gottemoeller M. (1999) *Ending Violence against Women*. Population Reports Series L. No. 11. Baltimore, MD: Population Information Program, Johns Hopkins University School of Public Health.

Hoddinott, J., Skoufias, E. and Washburn, R. (2000) *The Impact of PROGRESA on Consumption*. Washington, DC: International Food Policy Research Institute.

IDBAmerica (2005) '"Mexico's *Oportunidades*": An interview with Miguel Székely, Undersecretary for Social Development', (30 June).
Inter-American Development Bank (IADB) (2003) *La Red de Protección Social, Fase II: Informe de Evaluacion* [Nicaragua, Social Protection Network, Phase II: Evaluation Report]. Washington, DC: IADB.
International Food Policy Research Institute (IFPRI) (2005) *Nicaragua: Breaking the Cycle of Poverty*. Washington, DC: International Food Policy Research Institute.
Jackson, C. (1998) 'Rescuing Gender from the Poverty Trap', in C. Jackson and R. Pearson (eds) *Feminist Visions of Development: Gender Analysis and Policy* (pp. 39–64). London: Routledge.
Klasen, S. (1999) 'Does Gender Inequality Reduce Growth and Development? Evidence from Cross-Country Regressions', Gender and Development Working Papers No. 7, November.
Maluccio, J.A. and Flores, R. (2004) *Impact Evaluation of a Conditional Cash Transfer Programme: The Nicaraguan Red de Proteccion Social*, FCND Discussion Paper 184, Food Consumption and Nutrition Division, International Food Policy Research Institute, July.
Molyneux, M. (2006) 'Mothers at the Service of the New Poverty Agenda: Progresa/ Oprtunidades, Mexico's Conditional Transfer Programme', *Social Policy and Administration* 40(4): 425–49.
ODI (2005) 'Red de Protección Social: Nicaragua', Inter-Regional Inequality Facility, *Policy Brief 3*, Overseas Development Institute (ODI).
Oxfam (2000) 'Growth with Equity is Good for the Poor', Oxfam Policy Paper.
Parker, S. and Skoufias, E (2000) *The Impact of Progresa on Work, Leisure, and Time Allocation*, Final Report, International Food Policy Research Institute.
PovertyNet (2005) 'World Bank Should Refocus on Promoting Growth as Means to Cut Poverty: Watchdog', Press Release, Friday, 20 May.
Rawlings, L.B. (2004) 'A New Approach to Social Assistance: Latin America's Experience with Conditional Cash Transfer Programs', *World Bank Social Safety Nets Primer Notes 15*.
Schultz, P. (2001) 'School Subsidies for the Poor: Evaluating the Mexican Progresa Poverty Program', Center Discussion Paper No. 834, Economic Growth Center, Yale University, August.
SEDESOL (2003) 'Oportunidades una de las Mejores Propuestas para Combatir las Desigualdades Sociales en América Latina, Coinciden Representantes de Costa Rica y Nicaragua' [Oportunidades one of the Best Proposals to Combat Social Inequalities in Latin America Agree Representatives from Nicaragua and Costa Rica]. Comunicado de Prensa [Press Release], Coordinación. Nacional del Programa de Desarrollo Humano Oportunidades Dirección de Información y Difusión, México, DF, 28 July.
SEDESOL (2004a) 'Oportunidades Apoya a Más de 4 Millones de Madres de Familia que Viven en Extrema Pobreza' [Oportunidades Helps More than 4 Million Mothers of Families that Live in Extreme Poverty], Comunicado de Prensa [Press Release], Coordinación Nacional del Programa de Desarrollo Humano Oportunidades, Dirección General Adjunta de Comunicación y Difusión. México, DF, 9 May.
SEDESOL (2004b) 'Oportunidades Presentó los Resultados de su Evaluación Externa' [Oportunidades Presented the Results of their External Evaluation], Comunicado de Prensa [Press Release], Coordinación Nacional del Programa de Desarrollo Humano Oportunidades Dirección de Información y Difusión, México, DF, 26 April.

SEDESOL (2005a) 'Oportunidades es un Ejemplo Paradigmático y Efectivo: BID' [Oportunidades is a Paradigmatic and Effective Example say BID], Comunicado de Prensa [Press Release], Coordinación Nacional del Programa de Desarrollo Humano Oportunidades Dirección de Información y Difusión, México, DF, 28 July.

SEDESOL (2005b) 'Oportunidades Realiza Acciones Afirmativas a Favor de las Mujeres, Destaca el Coordinador Nacional del Programa' [Oportunidades Undertakes Affirmative Action that Favours Women notes the Coordinator of the National Programme], Comunicado de Prensa [Press Release], Coordinación Nacional del Programa de Desarrollo Humano Oportunidades Dirección de Información y Difusión, México, DF, 4 July.

Sen, A. (1987) 'Gender and Co-operative Conflicts', World Institute for Development Economics Research, Working Paper 18, Helsinki.

Sen, A. (1990) 'Gender and Cooperative Conflicts', in I. Tinker (ed) *Persistent Inequalities: Women and World Development* (pp. 123–149). New York: Oxford University Press.

Skoufias, E., Davis, B. and De la Vega, S. (2001) 'Targeting the Poor in Mexico: An Evaluation of the Selection of Households into Progresa', *World Development* 29(10): 1769–84.

Sparr, P. (ed.) (1994) *Mortgaging Women's Lives: Feminist Critiques of Structural Adjustment*. London: Zed Press.

Tendler, J. (2004) 'Why Social Policy is Condemned to a Residual Category of Safety Nets and What To Do About It', in T. Mkandawire (ed.) *Social Policy in a Development Context* (pp. 119–42). Basingstoke: Palgrave Macmillan/UNRISD.

Vermehren, A. (2002) 'Nicaragua Social Investment Fund Conditional Cash Transfers: A New Avenue for Social Funds?', *Social Funds Innovation Update* 2: 2.

Weisbrot, M., Baker, D., Naiman, R. and Neta, G. (2000) 'Growth May be Good for the Poor but are IMF and World Bank Policies Good for Growth?', Centre for Economic Policy Research, Draft, August.

Wodon, Q., De la Briere, B., Siaens, C. and Yitzhaki, S. (2003) 'Mexico's Progresa: Innovative Targeting, Gender Focus and Impact on Social Welfare', En Breve 17, The World Bank, January.

World Bank Gender and Development Group (2003) *Gender Equality and the Millennium Development Goals*, World Bank, April.

RÉSUMÉ

De l'ajustement Structurel à l'ajustement Social: Une Analyse de Genre des Programmes de Transfert Conditionnel de Liquidités au Mexique et au Nicaragua

Ce papier examine les implications pour les rôles et les rapports de genre au Nicaragua de mettre en œuvre un programme de transfert conditionnel de liquidités, qui aurait comme objectif l'amélioration des circonstances des personnes extrêmement pauvres. Le programme au Nicaragua, la '*Red de Protección Social*' (*RPS*), se base sur le programme '*Progresa/Oportunidades*' du Mexique, et les deux programmes partagent beaucoup de caractéristiques. Des évaluations réalisées sur le programme '*Progresa*' ont prévu des résultats positifs pour les femmes. Cependant, une étude de ces résultats souligne quelques raisons pour s'inquiéter, surtout par rapport aux implications pour

les femmes qui participent dans le programme. Le papier examine les conséquences de convertir ce programme (qui compte s'adresser aux causes structurales de la pauvreté) en un contexte de politique manifestement néolibéral et néo conservatif comme celui au Nicaragua. Le papier explique qu'une caractéristique principale de la '*RPS*' est l'ajustement social du comportement des femmes pour des profits de croissance économique, et il discute des conséquences possibles pour les femmes qui participent dans le programme ainsi que pour celles qui y sont exclues.

RESUMEN

Del Ajuste Estructural al Ajuste Social: Un Análisis de Género de los Programas de Transferencia Condicional de Dinero Realizados en México y Nicaragua.

Este documento examina las implicaciones de poner en uso un programa de Transferencia Condicional de Dinero para relaciones de género en Nicaragua, siendo ello un intento para mejorar la situación de las personas extremamente pobres. El programa en Nicaragua, llamado la '*Red de Protección Social' (la RPS)* se base en el programa '*Progresa/Oportunidades*' que existe en México, y ambos programas comparten muchas características en común. Evaluaciones realizadas sobre '*Progresa*' han sugerido que existe la posibilidad de resultados positivos para mujeres. Sin embargo, un examen de los datos destacó varias razones para preocuparse, especialmente sobre lo que significa la inclusión en el programa para las mujeres implicadas. El documento examina las consecuencias de convertir este programa – que intenta dirigirse sobre las causas estructurales de la pobreza – en un contexto de política abiertamente neoliberal y neoconservador, como en Nicaragua. El estudio muestra también que una característica principal de la RPS es el ajuste social respecto al comportamiento de las mujeres en las ganancias de crecimiento económico; discute además las posibles consecuencias para las mujeres que están implicadas o excluidas del programa.

BIOGRAPHICAL NOTE

SARAH BRADSHAW is a principal lecturer in Development Studies at the University of Middlesex, UK. She has worked in Nicaragua for many years with a range of non-governmental organisations (NGOs), including the Nicaraguan feminist NGO Puntos de Encuentro. She has undertaken a number of research projects focused on the situation and position of women in Nicaragua and women's movements. Her current research focusses on the poverty reduction policies of the International Financial Institutions and their gendered implications. Please address correspondence to Dr Sarah Bradshaw, School of Health and Social Sciences, Middlesex University, Queensway, Enfield EN3 4SF, UK. [email: S.Bradshaw@mdx.ac.uk]

Old Age Pensions, Poverty and Dignity

Historical Arguments for Universal Pensions

NANNA KILDAL
University of Bergen, Norway
STEIN KUHNLE
Hertie School of Governance, Germany

ABSTRACT The article refers to studies indicating that universal old age pension programmes alone or in combination with earnings-related schemes are conducive to poverty alleviation and less income inequality. Universalism matters, but few countries in the world have introduced universal old age pension programmes. The article does not research this apparent paradox, but asks the empirical question of whether poverty was a prime concern and reflected in arguments used in favour of universal old age pension when such programmes were introduced historically. What were the pro-arguments? The article looks at the arguments for establishing universal old age pension in three selected countries, all belonging to the group of pioneer countries in this respect: Canada, Mauritius and Norway, which all introduced universal pensions in the 1950s. Historical arguments for universal pension systems in these countries are presented and compared. The ambition to reduce poverty was an important motivation in two of the countries, but the main consideration cutting across all three countries was the moral aversion to means-testing and the desire to achieve fairness and respect to human dignity. Another argument found in all three countries was the pragmatic one that a universal scheme would lead to a reduction of the administrative cost of old age provision compared with a system based on means testing.

KEYWORDS *arguments, human dignity, pensions, poverty, universalism*

Global Social Policy Copyright © 2008 1468-0181 vol. 8(2): 208–237; 090639
SAGE Publications (Los Angeles, London, New Delhi and Singapore
DOI: 10.1177/1468018108090639 http://gsp.sagepub.com

Introductory Questions

Social policy serves many purposes. Combating poverty and income inequality in the old population is one of these and has become a political concern of growing importance in many nations and international organizations. Given such concern, we ask what the status of knowledge is as to the effects of various designs of pension programmes. These questions are considered to be of critical importance to research in a world with widespread poverty, huge inequalities, and new and growing demographic challenges.

According to the UN, the proportion of the world population above 60 years of age was 10% in 2002, projected to be 20% in 2050.[1] Moreover, the older population is itself ageing. The '80+ population' currently makes up 12% of the population above 60 years of age, and by 2050 the share of the 80+ is estimated to be 21%. The older population is set to increase, in relative and absolute terms, in both developed and less developed countries. The high incidence of old age poverty in the developing countries is likely to increase, since only few developing countries have old age social security, and those that have only offer limited coverage (Kannan, 2004). The burden on the elderly is also rapidly increasing due to their new roles as caregivers for young children caused by the AIDS pandemic, regional conflicts or migration (Kakwani and Subbarao, 2005: 3, 9). The issue of old age support appears to be crucial in many developing countries. How should efficient and effective welfare institutions be designed?

Not only provision of old age pension, but also the *type* of pension system can be of importance in long-term attempts to alleviate poverty and limit income inequality in society. For instance, Willmore (2004) has argued that universal schemes can have a significant impact on poverty reduction, even for the poorest countries. It is therefore of interest to ask why universal systems were introduced in different contexts: was poverty the motivation or were other basic arguments used; what can we learn from the experience of countries that were among the first to introduce universal pensions?

We have selected three countries for a closer preliminary study of the arguments in favour of universal pensions. These are Canada, Mauritius and Norway. Why these three countries? By 1960, only nine countries in the world had introduced universal old age pension (see Table 1). For reasons of time and capacity we could not review the historical debates in all of these. Therefore, a selection was made in such a way that *diversity and distance* between cases rather than similarity and unity in terms of geography, population size,[2] economic development, cultural and political context was achieved. The three countries are located on three continents: Mauritius was the only African country – and the world's first low-income country – to have introduced universal old age pension as of 1960. Mauritius is not part of the typology elaborated by Esping-Andersen (1990), and Canada and Norway represent different 'welfare regimes' in this typology. Norway serves as a representative of all five Nordic

countries that had universal pension programmes in place as of 1960. None of the three countries were the very first to introduce universal pensions, but definitely belong to the group of pioneers, as all three introduced such pension schemes in the 1950s.[3]

In accordance with Willmore's statement, there has been a beneficial impact of universal pensions upon poverty reduction in all three countries, although we cannot show the specific effect of the pension programmes for poverty reduction. General economic development and other public policies have without doubt also contributed. But in the case of Mauritius, which introduced a universal pension scheme in 1958, social pensions are claimed to have significantly reduced poverty among households with elderly people, especially for the most vulnerable groups (Palacios and Sluchynsky, 2006). It is of particular interest to observe such an effect in the only clearly less developed country among the pioneering countries with universal old age pension. In Canada, with a universal pension scheme since 1952, the number of seniors living in poverty has also decreased significantly since the first-tier universal pension system was introduced, thanks also to a number of later amendments, such as the establishment of the Guaranteed Income Supplement (GIS) in 1967. 'Canada has managed to achieve much greater poverty reduction among seniors while spending much less on social retirement programmes than most other rich countries' (Smeeding and Sandström, 2005). Recent data shows that the percentage of 66–75 year olds with income below half the median population income was only about 4% in Canada, compared to an OECD average of c. 12% (Quessier and Whitehouse, 2005). 'Thanks to public pensions, Canada has made tremendous gains in overcoming poverty amongst elderly citizens' (National Union Public and General Employees, Canada, 2007: 1). 'Canada has one of the lowest rates of elderly poverty among industrialist countries, ranking third lowest behind only Finland and Sweden' (Battle and Tamagno, 2007: 1).[4] Likewise, poverty rates among the old in Scandinavian countries have fallen radically after the introduction of universal pension schemes (Kangas and Palme, 2000).

It appears that the principle of universalism is applicable in a variety of circumstances – it is not narrowly context-specific – and this observation in itself gives us good reason to ask why the principle is not more widely tried out or applied. By identifying and comparing the arguments, we will be able to shed light on the cognitive basis and normative ideas that have been conducive to the implementation of citizen- or residence-based pension systems.

We shall first give an overview of countries with universal old age pension, followed by a presentation of previous studies of effects on reduction of poverty and inequality of various pension systems. Next, the historical arguments for universal pension systems in our three selected countries are presented, based on some primary sources (government documents and parliamentary deliberations) and a number of secondary sources, and then we review and compare arguments for universalism in the three countries. In the concluding section we raise questions for further research.

TABLE 1 *Number of countries with universal pensions over time*

Year	*1945*	*1950*	*1955*	*1965*	*1975*	*1985*	*1995*	*2005*
Number of countries with universal systems worldwide	1	4	5	9	10	10	13	16
Countries with newly introduced universal pension schemes	1940: New Zealand	1946: Iceland, Netherlands; 1948: Sweden	1952: Canada	1956: Denmark; 1957: Finland, Norway; 1958: Mauritius	1973: Australia	1984: Brunei; 1978: Australia abandons universal pension system	1990: Samoa; 1990: Namibia; 1995: Nepal	1996: Botswana, Bolivia; 2004: Lesotho

Sources for countries: Australia, Bolivia, Botswana, Brunei, Mauritius, Namibia, Nepal, Samoa, New Zealand: Willmore (2006); Denmark, Finland, Norway, Sweden: Esping-Andersen and Korpi (1987); Canada: Battle and Tamagno (2007); Iceland: Ólafsson (2001); Lesotho: Help Age International (2004); Netherlands: Anderson (2004). Please note that a number of sources have been consulted and these often give slightly different years for a number of countries; sources are not always consistent as to year of enactment and year of implementation. Although consistency is aimed for, variations of +/– one to two years for single countries in the table do not affect the substantive arguments of this article.

Countries with a Universal Old Age Pension System

Most old age pension systems consist of either means-tested or employment-related contributory schemes. Only 10 of the 191 nations of the United Nations had established a universal pension system before 1980 and by 2006 the number was, employing a generous definition of universality, no more than 16 (see Table 1). Australia introduced a universal system in 1973, but it was abandoned in 1980. Table 1 illustrates the low spread of universal pension schemes over time, but it is interesting to observe that a number of poorer countries have introduced universal pension schemes since the 1990s.

Table 2 gives an overview of some dimensions of universal pension systems in the world as of 2006.

Universal welfare schemes include *all* members of society as a matter of right. Yet, the principle of universalism is restricted in all known welfare policies. In terms of income security, the ideal-typical universal allocation is an unconditional, flat-rate 'basic income' given to all – a benefit no country has yet introduced. Generally, citizens are covered as members of specific population categories, such as people of old age, i.e. categories that represent certain politically defined need situations. This means that a pension scheme is universal if it offers a pension based on the criterion of age and conditioned only by citizenship or residency as criteria of membership in the state. The qualifying age and the generosity of benefits may of course differ across time and countries. Size of pension may also be dependent upon years of citizenship or residence.[5]

Pension Systems and Poverty Reduction: Review of Studies

A persistent issue in political and scientific debates is whether social policies in general, and pension policies in particular, should be targeted and directed solely to the poor, normally on the basis of an income or some kind of means test; whether and/or to what extent they should be based on employment records and on some variant of the insurance principle; or whether, but less frequently, they should be universal and include all members (defined in terms of citizenship or residence criteria) of a society.

What do we actually know about the effects of pension systems for poverty reduction and distribution of income? Studies made cover only a limited number of countries. Comparisons are difficult because of data quality and availability for many countries, because of the existence of complicated, many-dimensional pension systems, and because of the number of variables one may want to 'control' in order to study the isolated effects of major types of pension systems. General economic development may also benefit pensioners independent of pension arrangements, e.g. through 'redistribution' within families. However, some careful comparative studies of the effects of

TABLE 2 *Universal pensions schemes of the world as of 2006*[a]

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Bolivia	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Citizens born before 1975	65+	225 (2006)	225	892
Botswana	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Resident citizens	65+	330 (2005)	330	4372
Brunei	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Residents with 10 years of residence immediately before pensionable age (if born in Brunei) and residents (if not born in Brunei) with 30 years of residence immediately before pensionable age	60+	na	na	na
Canada	Yes (119% of basic pension – US$6077 per year)	Pension is reduced by 15% of monthly income over US$ 4513	40 years of residence after age 18	Citizens and permanent residents with 10 years of residence	65+	11,094 (2006)	7331	27,079

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/ year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Denmark	Yes (97% of basic pension – US$9550 per year). The supplement is reduced by 30% of income over US$8896 per year	Pension is reduced by 30% if professional income exceeds US$40,315 a year	40 years of residence between age 15 and 65	Citizens with at least 3 years of residence between age 15 and 65, permanent residents with 10 years of residency of which 5 years immediately before pension claim	65+	19,035 (2004)	1428	39,332
Finland	No	Pension is reduced by 50% if income from any public earnings-related pension is above US$709 a year	40 years of residence between age 16 and 65	All citizens with residency for at least 3 years after age 16 and permanent residents with 5 years of residence immediately before pensionable age	65+	Between 6385 and 7560 depending on family and district (2004)	Between 479 and 567 depending on family and district	31,058

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/ year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Iceland	Yes (supplement of US$7109 and special supplement of US$3506). Supplement is reduced if income exceeds US$7832 and withdrawn if income exceeds US$23630. The special supplement is withdrawn at income exceeding US$7790	Pension is reduced by 30% if income exceeds US$24,400 and withdrawn if income exceeds US$36,485 (no income test between 1960 and 1973)	40 years of residence between age 16 and 66	Citizens and permanent residents with at least 3 years of residence from age 16 to 66	67+	14,262 (2004)	1070	36,377

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/ year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Lesotho	No	All citizens not receiving any form of pension or grant from public assistance programmes (except war pensions from WW I + II)	No additional conditions (see residency requirements)	Resident citizens	70+	245 (2006)	245	3000
Mauritius	Yes (64% of basic pension age 60 to 69 as a supplement for disabled people)	No income-tested features for universal pension scheme (income test in effect from 1965 through 1976 and from Aug. 2004 to July 2005)	Benefits increase with age	Citizens with 12 years of residence; permanent residents with 15 years of residence since age 40 (no residence requirement for 70+)	60+	60–74: 705 75–89: 742 90–9: 2542 100+: 2892 (2005)	60–74: 705 75–89: 742 90–9: 2542 100+: 2892	4274

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Namibia	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Resident citizens	60+	324 (2006)	324	2120
Nepal	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Resident citizens	75+ (and widows 60+)	24 (2006)	24	237
Netherlands	Yes (29.8% of basic pension)	No income-tested features for universal pension scheme	50 years of residence between age 15 and 65	Resident citizens	65+	14,028 (2004)	Pension is reduced by 2% for every missing year	31,532

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
New Zealand	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Citizens and permanent residents with 10 years of residence from age 20 (5 years after 50)	65+	10,149 (2004)	10,149	19,847
Norway	Yes (79% of basic pension – US$7377)	Pension is reduced by 40% when income exceeds twice the basic amount between age 67 and 70. After age 70 full pension is paid independent of pensioner's other income	40 years of residence between age 16 and 66	Residents with 3 years of residency from age 16 to 66	67+	16,677 (2005)	1251	48,412
Samoa	No	No income-tested features for universal pension scheme	No additional conditions (see residency requirements)	Resident citizens	65+	428 (2005)	428	1505

(Continued)

TABLE 2 (Continued)

Country	*Means-tested supplement*[b]	*Income-test*[c]	*Conditions for full universal pension*[d]	*Residency requirements*[e]	*Age of eligibility*[f]	*Maximum universal pension/year in US$*[g]	*Minimum pension per year in US$*[h]	*GDP per capita in US$ (2003)*[i]
Sweden	No	Pension is reduced proportionally to other earnings-related pension. Basic pension is withdrawn if it is more then 307 times the basic amount	40 years of residence	Citizens and permanent residents with at least 3 years of residence	65+	11,516 (2004)	864	33,676

Notes: [a] See also note 5 in the text for a comment on 'universal pension schemes'. All figures are valid for singles. Currency rates as of September 2006. The calculation of so-called 'maximum universal pension' and 'minimum pension' are based on current rules and formulas in each of the countries; [b] Sources: Mauritius Central Statistical Office (2003), Mutual Information Systems on Social Protection (MISSOC) (2004); Social Security Administration (2004–6), Ólafsson (2001); [c] Sources: Mauritius Central Statistical Office (2003), MISSOC (2004); Social Security Administration (2004–6), Ólafsson (2001); [d] Sources: Mauritius Central Statistical Office (2003), MISSOC (2004); Social Security Administration (2004–6), Ólafsson (2001); [e] Sources: Mauritius Central Statistical Office (2003), MISSOC (2004); Social Security Administration (2004–6), Ólafsson (2001); [f] Sources: Mauritius Central Statistical Office (2003), MISSOC (2004); Social Security Administration (2004–6), Ólafsson (2001); [g] Own calculation based on Heston et al. (2006); MISSOC (2004); Social Security Administration (2004–6). 'Maximum universal pension per year' describes the basic pension + low-income supplement per year in US$ (year of data); [h] Own calculations based on Heston et al. (2002); MISSOC (2004); Social Security Administration (2004–6). 'Minimum pension per year' describes the minimum pension given minimum residency and other requirement for any pension entitlement. For example, to be entitled to a 'maximum universal basic pension' one must have resided 40 years in Norway since age 16, while one who has resided only three years gets 3/40 of this 'maximum universal basic pension' (which is, confusingly, often labelled 'minimum pension' – which thus means the 'standard' or 'normal' minimum pension). The minimum period of membership in the pension scheme to qualify for the lowest possible minimum pension is three years between the age of 16 and 66. [i] United Nations (2003) *Human Development Report*.

pension systems have been made, and their results appear at least reliable and valid for the group of countries studied, and convey possible general lessons.

Korpi and Palme (1998) have carried out a relevant study as regards the capacity of different social policy models to reduce inequality and poverty in capitalist democracies. In a comparison of 18 OECD countries they identified five ideal types of social security/insurance programmes that respond to the risks of ageing and illness, and found that universal social policies tend to reduce poverty and inequality more effectively than targeted social policies. More precisely, they found that what they called an 'encompassing model', which bases eligibility on both citizenship (universalism) and contribution, had the most favourable outcomes in terms of cross-class coalitions and redistribution. One important reason is that comprehensive welfare systems, which provide earnings-related benefits for all economically active citizens/residents, are expected to generate the lowest level of private insurance (Korpi and Palme, 1998: 669). The redistributive outcome in terms of poverty reduction was lowest in countries with targeted, means-testing models, and the insurance-based flat-rate basic security model (Korpi and Palme, 1998). Likewise, Goodin et al (1999: 166, 251) studied the effects of various welfare regimes, exemplified by the Netherlands, Germany and the USA, and found that the Dutch system, with universal, substantial and redistributive public transfers (not only pensions), is more effective regarding poverty reduction than the American ('liberal') and German ('corporatist') systems, although Germany comes close to the Netherlands. If systems are studied over time, however, the performance of the Netherlands is far better than both Germany and the USA (Goodin et al, 1999: 167).

Kangas and Palme (2000) were struck by the fact that 30 years ago, the poverty rate among old people in the Scandinavian countries was not markedly lower than in the USA (15–20%), while the situation had changed fundamentally by the beginning of the 1990s. In the Scandinavian countries the poverty rate had fallen from over 15% to below 5%; in the USA it was still 14% (Kangas and Palme, 2000: 340, 342–3).[6] They studied the impact of coverage and level of pension policies on poverty rates and found that a combination of fairly generous universal basic benefits with earning-related ones have the capacity to lift out of poverty those who, for various reasons, are not able to fund their own retirement.

It may be questioned whether cross-sectional comparisons of a number of western welfare states can reveal important links between institutional solutions and their distributive effects without the dynamics or the causal mechanisms behind these links actually being disentangled. According to Jäntti et al. (1996: 473, 483) more detailed longitudinal analyses of the development patterns within single countries are also needed. A study of the Finnish experience of the distributional consequences of the transformation of the pension system from 1966 to 1990 shows that the gradual change from a residual pension model with targeted means-tested benefits to a so-called institutional

one, which consists of a combination of basic security and income security pension models, has considerably reduced the poverty rate among the elderly – both male and female (Jäntti et al., 1996: 484).[7] The institutional pension policies, which include the principle of universalism, also reduced profoundly the economic inequality among the elderly. A historical look at the link between social policy and economic development in countries that have addressed poverty issues with relative success, such as the Nordic ones, must be said to provide valuable and relevant insight of interest for development studies (Kangas and Palme, 2005).

As shown, few countries have implemented universal, non-contributory pension systems. Comparative research on the effects of pension systems is relatively recent. It may be too early to study the effects on the political and normative arguments *pro et contra* various pension models of the creation of knowledge and of the widely accepted interpretations as to how systems work. Still, it is surprising that little attention has been devoted to the experience of countries that have more than a 50-year history of universal pensions. A trace of this experience was reflected in the World Bank report, *Averting the Old Age Crisis* from 1994, where the World Bank asserted that means-tested programmes administratively are more complex and have higher transaction costs compared to universal old age pension that provide the same benefits 'to everyone of pensionable age, regardless of income, wealth or employment history' (World Bank, 1994: 240). The Bank referred to New Zealand and the Scandinavian countries and argued that universal basic pensions – in comparison with means-tested variants – avoid the effects of disincentives to work and save.[8] The Bank discussed four options for a first, public pillar, two of which rested on the principle of universality, the other two on years of employment. Among the disadvantages of a system with universal (flat) rate benefits, the Bank discussed the problems of free riders; that programme costs are too high; and, the expectation that in countries with very unequal income distributions much of these benefits would go to the rich who live longer than the poor, thus undermining the objectives of redistribution and poverty reduction.

In 2005, the World Bank published a new report reviewing various pension reforms. It is based on an involvement in pension reform in more than 80 countries, of which 60 received some sort of financial support from the World Bank (Holzmann and Hinz, 2005: 9). The Bank still perceives advantages in a multi-pillar pension design, as such a model is flexible and best addresses the main target groups in the various populations.[9] Importantly, the Bank calls for an 'enhanced focus on basic income provision for all vulnerable elderly' (Holzmann and Hinz, 2005: 14). The Bank is still open as to whether the basic public pillar should take the form of a social assistance programme, a small means-tested social pension, or a universal demogrant available at higher ages (for example, age 70 and up).

In a World Bank study, Coady et al. (2004) make a classification and assessment of the numerous methods that exist for directing resources to particular

or 'targeted groups'. They collected information on 122 interventions drawn from 48 countries in seven regions of the world. Their conclusion was that, 'targeting can work, but that it does not always work everywhere' (Coady et al., 2004: 2, 86).[10] In particular, the problem of under-coverage is great. According to Mkandawire (2005: 9), available figures show that the median targeting programme in sub-Saharan Africa transfers 8% less to poor individuals than a universal programme, which obviously may act as an argument in favour of universalism.[11] A simulation study, drawing on household survey information of the situation for the elderly in 15 African countries reaches another conclusion (Kakwani and Subbarao, 2005). They claim that the case for a universal pension is weak, since the fiscal cost will amount to 2–3% of GDP. This budget will compete both with public spending on health care in many of these countries, as well as on the scarce safety net resources for groups whose incidence of poverty is much higher than is the case of the elderly.

The results from initial empirical investigations of these countries and selected other countries in other parts of the world do not give a clear answer as to the effect on social and economic development in a country context. One view put forward is that 'targeting a social pension programme only to the poor among the elderly is undoubtedly a less costly option and has greater impact on group and national poverty rates' (Holzmann and Hinz, 2005: 127). The conclusion opens, however, for country-specific assessments:

> any decision regarding the best instruments and the tradeoffs between a universal pension and reduced programmes for other groups (such as children and widows) needs to be placed in the context of the specific country. It is not surprising that many countries where universal pension programmes are currently in place are attempting either to target their programme or to allow the benefit level to erode over time, largely driven by fiscal considerations. (Holzmann and Hinz, 2005: 128)

The World Bank is *on paper* not unequivocally pro or contra universal pensions. Its empirical research and simulations undertaken appear to support context-specific pension system solutions, given such and such priority of objectives. Other empirical studies referred to end up with a more clear-cut favourable view on the possibility and role of universal pensions. One factor that seems to underpin this favourable view is the political dynamics of the *design* of welfare institutions, which tends to have an effect on the size of welfare budgets (Coady et. al., 2004: 9; Goodin, 1988: 55; Sen, 1999: 136). Excluding the middle classes from a pension programme may remove broad-based political support for such programmes and make them unsustainable; there seems to be a trade-off between the degree of targeting and size of the redistributive budgets. Accordingly, what Korpi and Palme characterize as 'the paradox of redistribution' confirms a well-established insight, at least among social policy researchers, that a programme reserved for the poor is a poor programme; targeted programmes lose political and economic support from the middle classes. This finding is confirmed in a study carried out by

Moene and Wallerstein (2001), and is valid for poorer countries as well (Sen, 1999: 136). Titmuss (1958) argued as early as 50 years ago that flat-rate low-level benefits stimulated a strong growth in tax-favoured occupational pension schemes in the more well-off segments of the workforce. A public system that also offered decent income protection for well-off groups would diminish the significance of private insurances and facilitate improvement of the public benefit levels – to the benefit of poor or low-income groups.

Comparative studies seem to indicate that universal pension systems – or universal pensions in combination with earnings-related schemes – generally have greater poverty – and income inequality reducing effects than systems built on other principles – or combination of principles – of distribution. So, why did some countries historically go for universal old age pensions, before effects of such a system on poverty alleviation and income distribution could be reasonably estimated? What were the arguments in favour of such a radical pension reform or legislation among countries belonging to the group of universal pension pioneers? Let us review arguments prominent in our three selected cases.

The Historical Arguments in Favour of Universalism: Canada, Mauritius and Norway

CANADA

A universal pension system, covering all residents in Canada above 65 years of age, dates from 1952. There was widespread public debate of various reports from 1942–3, including the Beveridge (1942) report in the UK, on what kind of society and social security to build following the Second World War. The post-war vision for social security was drawn up in two documents from 1944: the *White Paper on Employment and Income*, and the *Green Book on Reconstruction*. An important element of this vision was to create a universal old age security plan for the elderly, in addition to an income support plan for those aged 65–70.

'Canada emerged from World War II with a determination that it would not endure another depression such as the one that occurred in the 1930s' (Sarrouh, 2002: 21). 'The universalist model of social security developed out of opposition to the "residual" philosophy of social policy that predominated until the Great Depression of the 1930s' (Battle and Torjman, 2001: 13). Most of those who had given thought to the pension issue in the 1930s favoured the contributory principle, but informed opinion shifted by 1950, 'reflecting a growing belief that relating benefits to contribution would pose unnecessarily complex administrative problems and would defer the abolition of the means test for too long' (Bryden, 1974: 120). There was much aversion to the means-testing prevalent in the 1930s. 'The depression had left an aversion to means test as the qualifying barrier to social assistance of any kind. Universality was seen as a way to avoid this' (Battle and Torjman, 2001: 24; Bothwell et al., 1981). Close and recurring

scrutiny of a pensioner's personal affairs was humiliating (Bryden, 1974: 104). 'The advocates of universal pensions usually had in mind, in varying degrees, redistribution favouring the lower income groups' (Bryden, 1974: 111).

The debate prior to the enactment concerned the issue of a contributory versus a rights-based approach. The (liberal) prime minister and minister of finance favoured a contributory pension plan over a universal one, but since the issue was politically contested and strong groups, such as some business groups and the left led by the Cooperative Commonwealth Federation and the Canadian Labour Congress, supported universality, the prime minister appointed a parliamentary committee to deal with the issue. This committee came up with a report in favour of universality. Old age pension should be viewed as a right. The government had already stated in 1945: 'Payment of pensions as of right to people of this age [70+] offers the best kind of economic security. It removes the fear of destitution much more certainly than any other method … ' (Joint Committee of the Senate and House of Commons, 1950: 639). Many arguments referring to less expensive administration of a universal as a contrast to a means-tested scheme were put forward, as well as the argument that the old means-tested system was not applied equitably across all provinces (Joint Committee of the Senate and House of Commons, 1950: 637; 794–6). The Government subsequently opted for the Old Age Security plan (Battle and Torjman, 2001: 23–4). Respect for human dignity was an important consideration for the abolishment of means-testing, but other factors conducive to the adoption of a universal programme were social attitudes and demographic changes – a steady increase in the proportion of the population above 70 years of age, an observation that could of course also have served as an argument against (supposedly increasingly costly) universal pensions.

According to Banting (1987), universality lies at the heart of the development of the welfare state in Canada, a view hardly in accordance with the general categorization of Canada as a 'liberal welfare regime'. The vision at the middle of the last century also covered universal unemployment insurance and health services. Banting argues that an important objective of the universal welfare state was to foster social integration and cohesion. Social security was seen as an instrument for moderating the intensity of social and regional divisions (Sarrouh, 2002: 15), and the goal of universalist social policy was seen to be the prevention and alleviation of poverty (Bryden, 1974: 14).

A new vision of the welfare state is said to have complemented the universalist perspective in the 1960s: the redistributive welfare state. The change was sparked by the realization that the universal programme(s) did not properly deal with income inequalities and did not reach the poor, or offer the poor a sufficient income. An income-tested pension supplement for the elderly was introduced (Bryden, 1974: 16), and covers elderly aged 60–4 as well as those entitled to the universal pension after age 65. Social redistribution was not the only issue on the agenda in the 1960s, but also the desire (as in Norway, see later) to introduce a pension that, to a higher degree, could secure mainte-

nance of income levels achieved during working life. An earnings-related pension plan, the Canada and Quebec Pension Plans (CCP/QPP), was adopted in 1966 (Bryden, 1974: 25).

In the 1980s, the Government attempted to adjust social programmes in the direction of targeting more towards the most needy. 'Underlying these proposed reforms … was the elimination of universal programmes in favour of income-tested programmes' (Bryden, 1974: 34), but, interestingly also in comparison with several similar attempts in Mauritius (see note 12), strong popular protests forced the government to withdraw the proposed measures in June 1985.

The present pension system in Canada consists of two parts: a public system composed of three tiers, and a private system based on occupational pensions sponsored by employers (Bryden, 1974: 42). The first tier of the public pension programme is the universal, flat-rate Old Age Security pension for all aged 65+ who have a minimum of 10 years of residence after age 18; the second tier comprises the income-tested Guaranteed Income Supplement and similar provincial supplements; and the third tier is made up of the CCP/QPP, a mandatory, contributory, federal-provincial, social insurance programme. In principle, the system is quite similar to the current Norwegian system.

MAURITIUS

Mauritius became a British colony and part of the Commonwealth in 1814. It got a constitution in 1948, and obtained full independence in 1968. Mauritius introduced a non-contributory old age pension scheme in 1950 with a means test that was abolished and replaced by a universal basic pension in 1958. This is one of the best-kept secrets in the world, according to Willmore (2003). Currently, every elderly resident of Mauritius is offered an income support from a system of non-contributory pensions. Subject only to minimum residence requirements; 12 years from age 18 for citizens, 15 years from age 40 for non-citizens; every resident aged 60 or over is eligible for a monthly pension, which implies that the basic pension is neither income- nor work-tested. Pensions are taxable as ordinary income. Those who continue to work, or have other sources of income, return some of their pension to the government.

According to Willmore (2003), Mauritius ended up with a system of universal old age pensions by accident, not by design. In 1940 a Social Insurance Committee was appointed in order to look at the possibility of designing a system of old age pensions. The committee recommended a compulsory, strictly proportional contributory system. By 1950, no system of contributory pensions had been agreed upon and as a temporary measure until a 'proper' system could be set up, the government introduced a non-contributory system that was strictly means-tested with tight eligibility criteria. The qualifying age was 65 years. Much misunderstanding and resentment originated from the means test; the term 'income' was far from clear and the administrative practice was regarded as casual and unfair (Titmuss and Abel-Smith, 1961/1968: 88).

In September 1957, the governor appointed a committee of ministers that recommended a system nearly identical to the proposal from 1941. Contributions should be collected from all workers younger than 60, even from child workers from the age of 14 (Titmuss and Abel-Smith, 1961/1968: 89–90). Surprisingly, however, the minister of health and social services announced in December 1957 that means-testing should be abolished and that the monthly pension would increase (Willmore, 2003, 2006). The main object of this amendment to the Bill of 1951 was to abolish the means test, the minister declared; the pension system based on means testing was neither rational nor legitimate. An important argument concerned the dignity of the applicants who were going through very vexatious, long-lasting and humiliating enquiries. Closely related to the humiliation of the applicants – their neighbours and relatives were for instance pressed for all sorts of information by inquiring officers – was the corruption among the latter. To insist on bribes or political support from the applicants was not unusual among officers and politicians (Mauritius Legislative Council, 1958: 310, 325).

A key argument for the minister was, however, the fact that two categories of persons were penalised through the means tested system:

1. Those who have led a cautious life of moderation and have been able to set up a little amount of revenue equal to the amount being provided as pension. Just because of this they are debarred from receiving the old age pension under the present system. The pension goes only to those who have not been able to save anything, those who may have lived a life of less moderation than the others.
2. Those who are willing to work, though advanced in age, in order to live a more decent life or/and to support their dependants.

Thus, the minister called attention to the disincentive effects of the means testing system, which tend to produce poverty traps, or 'idleness' as they expressed it (Mauritius Legislative Council, 1958: 310–11, 327). Distortion of information given to the officers also becomes a problem in a means testing pension system.

The great aversion to the means test did not imply, however, that a universal old age pension was the only alternative. The intention was still to develop a 'complete and comprehensive social security system, contributory this time, by which the amount of old age benefit is going to be higher', and which should replace the universal one, 'in less than two years time' (Mauritius Legislative Council, 1958: 346). The preference for a contributory system was not least caused by the much higher benefit levels it would provide. Yet, this issue was not central in the debates. There were few references to the Commonwealth and the UK, yet it was questioned why Mauritius should abolish the means test before the UK, where a relatively low figure of old people received the non-contributive, means-tested old age pension

(National Assistance) after the contributory National Insurance Scheme was legislated in 1946 (and implemented in 1948). It was argued that the abolition of the means test had never been discussed in the House of Commons. 'Why should we in Mauritius take the responsibility of doing away with a system [i.e. means-tested] which has been found by experience to be a just and fair social measure … ?' (Mauritius Legislative Council, 1958: 323).

In 1976, a contributory pension scheme covering employees of the private sector was introduced, in addition to the universal, non-contributory pension system, with the passing of the National Pension Act.[12] Special non-contributory schemes exist for public employees. Public employees of para-statal bodies are covered under contributory retirement schemes, and only employers pay contributions (Deerpalsing, 2004).

NORWAY

The first national pension scheme, in addition to the one for civil servants and government employees, was passed in 1936 but debate on old age pensions in Norway had been on the agenda since the 19th century. In 1894 a parliamentary worker's commission formulated among its proposals that the pension scheme should cover the entire population (Hatland, 1992: 55). This idea was part of the national identity- and community-building project, and closely related to current social inclusion projects. After the Second World War, the important normative argument concerned human dignity. The 1936 law introduced means-tested benefits, which was abolished in a new law of 1957. The Second World War experience of Norway under German occupation for five years put many leaders and ordinary people across the political spectrum 'in the same boat' and assumedly fostered consensus and solidarity across social classes. The goal of developing universal welfare programmes was part of the programme of all political parties as manifested in their Joint Programme (*Fellesprogrammet*) published just after the end of the Second World War, in 1945. But views differed as to priorities and speed with which universality should be made effective across all social security programmes. A number of arguments – advocated by different groups – were put forward in favour of making the old age pension universal in the mid-1950s (Kildal and Kuhnle, 2005: 21–4).

Following the Second World War, politicians in Norway expressed a deep dissatisfaction with the existing poor relief system that offered only poor help to a heterogeneous group with quite different problems and in a highly paternalizing and stigmatizing way. Non-means-tested pensions would be perceived as a social right for all members of society (Hatland, 1984: 39–40; Seip, 1981: 53–4). Pragmatic administrative arguments were also salient. It was argued that making pensions universal – a matter of citizen's right – would save huge amounts of administrative costs. It was also claimed, as in the case of Mauritius, that means-testing penalizes the will to work and save. Furthermore, the problem linked to the demarcation between eligible and non-eligible persons was emphasized; different municipal practices under-

mined the legitimacy of the means-testing arrangements. Some opposition against a universal pension at the time of decision came from groups within the labour movement (trade unions and the left wing of the Labour party and the Communist party), who considered universality to be 'unsolidaric' and 'unsocialist' (Haavet, 1994: 287), questioning why rich people should be entitled to a basic pension.

In 1967, a new law appeared that introduced an earnings-related second pillar pension to the universal basic pension, a move beyond minimum income security for all towards an additional objective of income security for the economically active after they retired. There has been no serious attempt to move away from the universal pension system in Norway. The current retirement age is 67, but pension points (for the earnings-related part) may be earned until the age of 70. To qualify for a pension, a person must have resided in the country a minimum of three years between the ages of 16 and 66. The basic pension is calculated on the basis of the residence period, and a full basic pension requires 40 years of 'membership' or residency (Arbeids – og inkluderingsdepartementet, 2006). The minimum old age pension consists of the basic pension plus a special supplement to which everyone who has earned no or very little supplementary ('earnings-related') pension is entitled. The special supplement is – as the basic pension amount – reduced proportionally in the case of periods of 'insurance' (membership) amounting to less than 40 years.

Comparative Discussion of Arguments

The article started with a concerned observation about the growing size and proportion of old people in the world and questions about what kind of income support policies offer the best solutions to increased challenges of income insecurity and poverty for this population group. Empirical studies seem to suggest that universal pension systems are beneficial to poverty alleviation. Our intention has been to look for and examine the actual arguments that have been set forth in favour of universal pensions schemes in three selected, very dissimilar countries at the historical time of introduction of such schemes. Table 3 gives a crude overview of arguments used when universal pension systems were first introduced in Canada, Mauritius and Norway in the 1950s.

Which arguments were conspicuous? We have classified arguments into three categories: (1) those relating to community and nation-building; (2) those relating to values of human dignity; and, (3) those relating to economic and administrative considerations. A preliminary overview indicates that three arguments were used across all three countries, namely: the ethical one that relates to a value of human dignity–aversion to humiliating and discretionary means-testing; a moral argument regarding fairness; and, a pragmatic economic–administrative one about reducing administrative costs. None of

TABLE 3 *Historical arguments for universal pensions in Canada, Mauritius and Norway at the time of introduction*

Arguments in favour of universal pensions	*Canada*	*Mauritius*	*Norway*
I. Related to community and nation-building			
Post-WWII vision of the 'good society'/welfare state	X		X
Pension as a social right	X		X
Foster social integration and cohesion	X		
Foster support for public social security system	X		
Demographic change, growing proportion of old people	X		
II. Related to values of human dignity			
Aversion to means test; avoid humiliating testing	X	X	X
Equality, fairness	X	X	X
Reduce poverty	X	X	
III. Related to economic and administrative considerations			
Reduction of administrative costs	X	X	X
Means-testing a disincentive to private saving and development of occupational pensions; 'poverty trap'		X	X
Means-testing a disincentive to active work when reaching retirement age		X	X
Avoid corruption		X	
Should be a temporary measure		X	

Sources: The crosses in the table summarize information extracted from sources referred to in the text under each country chapter.

the other arguments listed were apparently used across all three countries. Poverty was not a main issue in the argumentation, although it was emphasized in the Canadian debate that 'payment of pensions as of right to people of this age [70+] offers the best kind of economic security' (Joint Committee of the Senate and House of Commons, 1950: 639).

Several arguments appear across two of the countries. Historical traumatic events can be conducive to significant changes in the strength of spe-

cific ideas, perceptions, desires and political prescriptions for future policy development. In both Canada and Norway the experience of the Second World War encouraged a vision for a better post-war society in which social policy was seen to promote social cohesion and integration,[13] and old age pension came to be seen as a social right. Reduction of poverty was clearly an argument in favour of universalism in Canada and Mauritius, while the disincentive effects of means-testing were an important argument in Mauritius and Norway for breaking free from the system of means-tested old age pension. Other arguments used seem to have been more nation- (or context-) specific, such as focus on demographic change (Canada) and the possibility of ridding the administration of means-tested pensions of corruption (Mauritius). Some arguments, such as increasing the economic independence of citizens and promoting the general health of the population and among the old, and which have recently been heard in favour of universalism, were apparently not on the political agenda in the 1950s.

Conclusion

Our objective has been to study the historical arguments in favour of introducing universal old age pension in three diverse countries. We have neither aimed at a comprehensive analysis of the political debates, nor of the role and strength of various actors and institutions at the time. A full understanding of the 'why and how' specific policies were decided or reforms came about would demand a different and extended theoretical and empirical approach. But our study of the *pro*-arguments for a certain type of pension policy can be regarded as a first step towards a more comprehensive analysis of the political and cultural prerequisites that could lead to the success of various ideas and arguments. Ideas and arguments are important when new social policies or programmes are established. According to Weber, ideas have profound influence on the development of social life, and it is self-evident that one of the most important tasks of every social science is to arrive at a rational understanding of these 'ideas' for which men struggle and to 'judge' them critically (Weber, 1904/1969: 53–4).

Our conclusion is that the arguments for universal pension schemes tend to include strong normative ideas about equality, social justice, solidarity and human dignity. In light of the argument of the Holzmann and Hinz (2005) that universal basic pensions are too costly to introduce in African low-income countries, it is of interest to note that universal pensions were in fact considered affordable and given priority in the poor country of Mauritius, and also in the early, difficult economic post-war period in Norway, when many consumer goods were rationed and the country qualified for and received Marshall aid. This early history indicates that political and other considerations can outweigh strict fiscal concern, and might offer a lesson for

current debates. Affordability is a question of politics as much as a question of economics.

Part of our objective in this article has been to reach an understanding of the arguments and ideas behind universal pension schemes in order to contribute to the discussion on the design of old age pension systems that may be expected to take off in different parts of the world in coming years. For this debate it would also be of great interest to follow up with a study of the arguments for introducing universal pensions in the number of low-income countries that have introduced such schemes since 1990. A comparison of arguments in the pioneer countries and the newcomers would be of interest, as well as comparative studies on the effects on income security, poverty levels and income distribution. Has the discourse changed? What role does the changing international context play for the potential of various ideas and policies to succeed in low-income countries today? A further analysis should include a comparison of actors and institutions then and now: what role do international organizations of various kinds play today in contrast to the early historical period of universal old age pension? We can imagine that arguments not present in our historical cases have gained importance, for example those related to gender equality and the role of universal pensions for enhancing such equality. What lessons can subsequently be drawn for other low-income countries in deciding on pension reforms?

A timely question for future research could also be: why is there not more attention given to issues of universal income security, such as universal old age pension? Given the ethical, moral and pragmatic-administrative arguments referred to in this article, why have so few countries in the world introduced universal pensions since the first countries introduced such schemes 50–70 years ago? Are concerns about human dignity of less importance now than in the 1950s? Perhaps universal schemes may ward off temptations of corruption in means-tested schemes, and thus be of special interest in weak states or countries with a weak institutional structure and weak governmental administrative capacity. Common knowledge has it that universal schemes are more likely to gain support and be introduced in ethnically and culturally homogenous societies, such as the Nordic countries. But Mauritius is a good example, and Canada as well, of the limits of this 'knowledge'.[14] Perhaps one could even argue that universal schemes are *politically* wise in heterogeneous, multi-ethnic societies if a political goal is to avoid social tensions and prevent or lower the risk of ethnic discrimination. These are some of the analytical and normative questions that may be elaborated for future research on income security in old age – and in general.

ACKNOWLEDGEMENTS

An early version of this article was presented at the 11th BIEN Conference, 'Universalism Strengthens Development', at the University of Cape Town, 2–4

November 2006. We thank research assistant Henni Hensen, Hertie School of Governance, Berlin, for researching and preparing the tables on pension systems and for comments to a draft version. We also thank N. Deerpalsing, Larry Willmore, David R. Croome, and Stéfan Ólafsson for sources on the pension systems of Mauritius, Lesotho and Iceland, participants at the BIEN conference, Steven Finkel, Claus Offe, and finally, but not least, two anonymous referees, for comments.

NOTES

1. http://www.unis.unvienna.org/unis/pressrels/2002/note5713.html
2. The three countries we look at differed and differ in population size. In 1950, the population of Canada was 13,737m; of Mauritius 493,000; of Norway 3,265m. In 2005, the figures were 32,268m, 1,245m, and 4,620m, respectively (http://esa.un.org/unpp).
3. New Zealand was the first country to introduce universal pensions, in 1940, and would represent still another continent; on the other hand it is placed within the same welfare regime category as Canada in Esping-Andersen's (1990) typology, while the Netherlands is grouped in the same welfare regime category as the Nordic countries. The typology has been criticized and can be questioned for various reasons but for our purpose, comparing historical arguments in diverse cases rather than similar cases, it must be said to form one useful reference point for selection of our three cases.
4. The studies on which this statement is based define poverty as income less than half of the national median.
5. For several countries in Tables 1 and 2, it may be discussed whether all systems are really universal according to our definition. They are definitely not all universal in the same meaning. For example, it may be argued that the Swedish system is no longer universal after the pension reform of 1999: all citizens are entitled to a pension but the basic pension ('guarantee pension') is an income-tested top-up for people with low levels of benefit from the mandatory earnings-related pension scheme. The basic pension in Iceland is similarly income-tested but applies only to non-pension income, such as earnings or capital income; the withdrawal rate is 30% for income above a certain level (equivalent to half of average earnings) (Organisation for Economic Co-operation and Development [OECD], 2005: 130). In Finland, the basic pension is reduced by 50% if income from any public earnings-related pension is above a certain amount. Similarly, in Denmark the basic pension is reduced at a rate of 30% against earnings above a certain level. In Lesotho, all citizens who do not receive any form of pension or grant from public assistance programmes are entitled to the 'universal' pension. Tables 1 and 2 may thus be further refined than done here so that a differentiation is made between 'pure universal' systems (all citizens/residents beyond a certain age get – as a minimum – the same amount of basic pension) and 'conditional universal' systems (all citizens/residents are entitled to a pension, but basic pension – or pension amount – is conditioned on size of other pension or other income). Crucial for us is that none of the countries included in Tables 1 and 2 has means-testing, and they are universal in the sense that all citizens are guaranteed a pension income through the system of public pension schemes. Thus, we consider these countries to be different from those that rely on means-tested

general social assistance for citizens without a pension entitlement. OECD (2005) offers a different understanding of 'universal pensions' in its categorization of the structure of pension systems in its member countries, distinguishing among public *social assistance*; *targeted*; *basic*; and *minimum* pensions among the 'first tier: universal, redistributive' pension systems.

6. Poverty is defined as income below 50% of median income. Kangas and Palme (2000: 339) present poverty rates by age groups for selected countries. In order to assess how sensitive the results are to the different poverty thresholds, they employ three poverty levels: those whose equivalent income falls below respectively 40%, 50% and 60%.
7. Although the Finnish pension legislation became universal in 1956, the basic, unconditional benefit was rather low in Finland compared to other Scandinavian countries (Jäntti et al., 1996: 476).
8. The World Bank recommended a three-pillar pension structure: (1) a publicly managed, tax-financed, pillar; (2) a privately managed, publicly regulated pillar which could be either personal savings accounts or occupational plans; (3) voluntary occupational or personal savings plans.
9. The three-pillar model proposed in 1994 was extended to a five-pillar model in 2005: (1) a non-contributory or 'zero-pillar' to provide minimum level of protection; (2) a 'first-pillar' contributory system linked to earnings; (3) a mandatory 'second pillar' that is an individual savings account; (4) a voluntary 'third-pillar' that can take many forms; and, (5) informal intra-family or intergenerational source of financial and non-financial support to the elderly.
10. Coady et al. (2004: 11) seem to be more concerned with the leakage rate of universal programmes.
11. Mkandawire deals with universal programmes in general, not with pension programmes in particular.
12. A mild income test was in effect from 1965 to 1976; those who were paying income tax were disqualified for an old age pension. In 2004, the government once more imposed an income test on the basic pensions, which lasted one year and was abolished when the government lost the elections (Willmore, 2006).
13. The impact of the wartime experience on social policy thinking, principles and post-war policy making is discussed in Goodin and Dryzek (1995).
14. At the time when the universal pension system was discussed in Mauritius, the composition of the population was as follows: 67% of Indian descent; 29% was classified as 'general population', which included 'Europeans and descendants of Europeans and people of African and mixed origin'. Very few could claim to be of 'pure' European descent. The remaining 4% was Chinese (Titmuss and Abel-Smith, 1961/1968: 3).

REFERENCES

Anderson, K.M. (2004) 'Pension Politics in Three Small States: Denmark, Sweden and the Netherlands', *Canadian Journal of Sociology/Cahiers Canadiens de Sociologie* 29(2): 289–312.

Arbeids – og inkluderingsdepartementet (2006) *The Norwegian Social Insurance Scheme*. Oslo: Arbeids – og inkluderingsdepartementet.

Banting, K. (1987) 'Visions of the Welfare State', in S.B. Seward (ed.) *The Future of the Social Welfare Systems in Canada and the United Kingdom*. Halifax: Nova Scotia Institute for Research on Public Policy.

Battle, K. and Tamagno, E. (2007) 'Public Pensions in a Development Context: The Case of Canada', Social Policy and Development Programme Paper No. 31. Geneva: UNRISD.

Battle, K. and Torjman, S. (2001) *The Post-Welfare State in Canada: Income-Testing and Inclusion*. Ottawa: Caledon Institute of Social Policy.

Beveridge, W.H. (1942) *Social Insurance and Allied Services*. London: Cmd 6404, HMSO.

Bothwell, I., Drummond, I. and English, J. (1981) *Canada Since 1945*. Toronto: Toronto University Press.

Bryden, K. (1974) *Old Age Pensions and Policy-Making in Canada*. Montreal: McGill-Queen University Press.

Coady, D., Grosh, M. and Hoddinott, J. (2004) *Targeting of Transfers in Developing Countries*. Washington, DC: World Bank.

Deerpalsing, N. (2004) 'Social Security System in Mauritius', unpublished manuscript, Ministry of Finance and Economic Development, Mauritius.

Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

Esping-Andersen, G. and Korpi, W. (1987) 'From Poor Relief to Institutional Welfare States: The Development of Scandinavian Social Policy', in R. Erikson, E.J. Hansen, S. Ringen and H. Uusitalo (eds) *The Scandinavian Model: Welfare States and Welfare Research* (pp. 39–74). Armonk, NY: M.E. Sharpe.

Goodin, R. (1988) *Reasons for Welfare*. Princeton, NJ: Princeton University Press.

Goodin, R.E. and Dryzek, J.S. (1995) 'Justice Deferred: Wartime Rationing and Post-War Welfare Policy', *Politics and Society* 23(1): 49–73.

Goodin, R.E., Heady, B., Muffels, R. and Dirven, H.-J. (1999) *The Real Worlds of Welfare Capitalism*. Cambridge: Cambridge University Press.

Haavet, I.E. (1994) 'Folketrygden: Et hus med Mange Etasjer' [The National Insurance: A House with Many Floors], in Ø. Bjørnsonand and I.E. Haavet (eds) *Langsomt ble Landet et Velferdssamfunn: Trygdens Historie 1894–1994 [Slowly the Nation became a Welfare Society: The History of Social Insurance 1894–1994]* (pp. 271–98). Oslo: AdNotam, Gyldendal.

Hatland, A. (1984) *Folketrygdens Framtid [The Future of National Insurance]*. Oslo: Universitetsforlaget.

Hatland A. (1992) Til dem som trenger det mest? Økonomisk behovsprøving i norsk sosialpolitikk. [To Those Who Need it Most? Means-testing in Norwegian Social Policy]. Oslo: Universitetsforlaget.

HelpAge International (2004) Age and Security: How Social Pensions can Deliver Effective Aid to Poor Older People and their Families, accessed March 2008, http://www.helpage.org/Resources/Policyreports

Heston, A., Summers, R. and Aten, B. (2006) *Penn World Table Version 6.2*, Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, September, http://pwt.econ.upenn.edu/php_site/pwt_index.php

Holzmann, R. and Hinz, R. (2005) Old-Age Income Support in the *21st Century: An International Perspective on Pension Systems and Reform* Washington, DC: World Bank.

Jäntti, M., Kangas, O., and Ritakallio, V.-M. (1996) 'From Marginalism to Institutionalism: Distributional Consequences of the Transformation of the Finnish Pension Regime', *Review of Income and Wealth* 42(4): 473–91.

Joint Committee of the Senate and the House of Commons (1950) *Old Age Security*. Ottawa: Joint Committee of the Senate and the House of Commons.

Kakwani, N. and Subbarao, K. (2005) 'Ageing and Poverty in Africa and the Role of Social Pensions' (Revised Final Version), The World Bank, African Human Development.

Kangas, O. and Palme, K. (2000) 'Does Social Policy Matter? Poverty Cycles in OECD Countries', *International Journal of Health Services* 30(2): 335–52.

Kangas, O. and Palme, J. (2005) *Social Policy and Economic Development in the Nordic Countries*, UNRISD. Basingstoke: Palgrave Macmillan.

Kannan, K.P. (2004) 'Social Security, Poverty Reduction and Development: Arguments for Enlarging the Concept of Social Security in a Globalizing World', Extension of Social Security Papers 21. Geneva: ILO.

Kildal, N. and Kuhnle, S. (2005) 'The Nordic Welfare Model and the Idea of Universalism', in N. Kildal and S. Kuhnle (eds) *Normative Foundations of the Welfare State: The Nordic Experience* (pp. 13–33). London: Routledge.

Korpi, W. and Palme, J. (1998) 'The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries', *American Sociological Review* 63(5): 661–87.

Mauritius Legislative Council (1958) *Debates*. Port Louis: Government Printer.

Mkandawire, T. (2005) 'Targeting and Universalism in Poverty Reduction', Social Policy and Development Programme Paper No. 23. Geneva: United Nations Research Institute for Social Development.

Moene, K. and Wallerstein, M. (2001) 'Targeting and the Political Support for Welfare Spending', *Economics of Governance* 2(1): 3–24.

Mutual Information System on Social Protection. (MISSOC) (2004) *Social Protection in the EU Member States and the EEA*. European Commission.

National Union of Public and General Employees, Canada (2007) 'An Overview of Canada's Public Pension System', October.

Ólafsson, S. (2001) 'Det Isländska Pensionssystemet: Utseende och Utsikter' [The Icelandic Pension System: Characteristics and Prospects], in J. Palme (ed.) *Privata och Offentliga Pensionsreformer i Norden* [*Private and Public Pension Reforms in the Nordic Countries*] (pp. 33–60). Stockholm: Pensionsforum.

Organisation for Economic Co-operation and Development (OECD) (2005) *Pensions at a Glance: Public Policies Across OECD Countries*. Paris: OECD.

Palacios, R. and Sluchynsky, O. (2006) 'Social Pensions, Part I: Their Role in the Overall Pension System', SP Discussion Paper No. 0601, Social Protection, World Bank.

Quessier, M. and Whitehouse, E. (2005) 'Pensions at a Glance: Public Policies Across OECD Countries'. Washington, DC: OECD.

Sarrouh, E. (2002) 'Social Policies in Canada: A Model for Development', Social Policy Series No. 1. New York: Economic and Social Commission for Western Asia, United Nations.

Seip, A.-L. (1981) *Om Velferdsstatens Framvekst* [*On the Emergence and Development of the Welfare State*]. Oslo: Universitetsforlaget.

Sen, A. (1999) *Development as Freedom*. Oxford and New York: Oxford University Press.

Smeeding, T. and Sandström, S. (2005) 'Poverty and Income Maintenance in Old Age: A Cross-National View of Low Income Older Women', Luxembourg Income Studies, Working Paper No. 398 (January).

Social Security Administration (2004–6) *Social Security Programs throughout the World*: Europe (September 2004); Asia and the Pacific (March 2005); Africa (September 2005) and The Americas (March 2006), accessed March 2008, http://www.ssa.gov

Titmuss, R.M. (1958) *Essays on the Welfare State*. London: Allen & Unwin.

Titmuss, R.M. and Abel-Smith, B., with Lynes, T. (1961/1968) Social Policies and Population Growth in Mauritius: Report to the Governor of Mauritius. London: Cass.

United Nations (2003) *Human Development Report*, accessed March 2008, http://hdr.undp.org/en/media/hdr03_complete.pdf

Weber, M. (1904/1969) 'Objectivity in Social Science and Social Policy', in M. Weber *The Methodology of the Social Sciences* (pp. 49–112). New York: The Free Press.

Willmore, L. (2003) 'Universal Pensions in Mauritius: Lessons for the Rest of Us', DESA Discussion Paper No. 32, United Nations.

Willmore, L. (2004) 'Universal Pensions in Low Income Countries', Initiative for Policy Dialogue Working Paper IPD0105, October, expanded and revised version of September 2001 discussion paper.

Willmore, L. (2006) 'Universal Age Pensions in Developing Countries: The Example of Mauritius', *International Social Security Review* 59(4): 67–89.

World Bank (1994) *Averting the Old Age Crisis*. Oxford and New York: Oxford University Press.

RÉSUMÉ

Les Pensions de Vieillesse, la Pauvreté, et la Dignité: Arguments Historiques pour l'adoption d'un Regime Universel de Pension

L'article se rapporte à des études démontrant que les programmes des pensions de vieillesse seul ou ces programmes en combination avec prestation au revenu sont favorable à l'allégement de la pauvreté et moins qu'inéglité de revenu. L'universalisme a d'importance, mais peu de pays dans le monde ont introduit d'un regime universel des pensions de vieillesse. L'article ne considère pas ce paradoxe, mais il plutôt pose la questions empirique de si la pauvreté était une souci principal et si elle a reflété dans les arguments utilisés en faveur des pensions de vieillesse universel quand de tells programmes ont été présentés historiquement. Quels étaient les arguments pour tel programes? L'article considère les arguments pour etablir des pensions de vieillesse universelles dans trois pays choisis qui étaient parmi les pays premiers pour présenter ce régime. Les trois pays sont le Canada, les iles Maurice, et le Norvège, ce que tous ont présenté les pensions universelles dans les annes 50s. Les argument historique pour les régimes de pension universel dans ces pays sont présentés et comparés. L'envie de réduire la pauvreté était une motivation importante dans deux des pays, mais la considération principale qui traverse chacun des trios pays était l'aversion morale à l'evaluation des resources prévue et l'envie d'atteindre l'impartialité et le respect de dignité humaine. Un autre argument trouvé dans chacun des trois pays était l'argument pragmatique. Qu'une régime universel mènerait à une réduction sur le coût administratif de regime de vill âge quand il est comparé avec régime qui été base sur l'evaluation des resources prévue.

RESUMEN

Las Pensiones de Vejez, la Pobreza y la Dignidad: Razonamientos Históricos para las Pensiones Universales

El presente documento se refiere a ciertos estudios que indican que los programas universales de pensiones de vejez, solos o en combinación con planes proporcionales al sueldo, son propicios para la paliación de la pobreza y para reducir la desigualdad de los ingresos. El universalismo es importante, pero pocos países han

implementado programas universales para las pensiones de vejez. El documento no analiza esta paradoja aparente, pero hace una pregunta empírica: ¿si la pobreza era una preocupación principal y si esto era reflejado en los argumentos usados a favor de las pensiones de vejez durante la época cuando tales programas eran introducidos históricamente? ¿Cuáles eran los argumentos a favor de las pesiones de vejez? El documento examina los razonamientos para establecer pensiones universales de vejez en tres países seleccionados, de los cuales todos pertenecen al grupo de países pioneros en este respecto. Los tres países son Canadá, Mauricio y Noruega y todos implementaron las pensiones universales durante los años 50. Los argumentos históricos para los sistemas de pensiones universales en estos países están presentados y comparados. La ambición de reducir el nivel de la pobreza era una motivación importante en dos de estos países. Sin embargo, el factor principal para los tres era la aversión moral a la investigación de ingresos para determinar el derecho a ciertas prestaciones, y el deseo de cumplir la imparcialidad y el respeto de la dignidad humana. El otro argumento expresado en los tres países era la idea pragmática que un sistema universal causaría una reducción del costo administrativo de las provisiones para la vejez, comparado con un sistema que investiga los ingresos para determinar si las personas tengan derecho a ciertas prestaciones.

BIOGRAPHICAL NOTE

NANNA KILDAL is Senior Researcher at the Rokkan Centre for Social Studies, University of Bergen. Jointly with Stein Kuhnle, she has edited the volume *Normative Foundations of the Welfare State: the Nordic Experience* (London: Routledge, 2005). Please address correspondence to Nanna Kildal, Stein Rokkan Centre, University of Bergen, Nygaardsgaten 5, N- 5015 Bergen, Norway. [email: nanna.kildal@rokkan.uib.no]

STEIN KUHNLE is Professor of Comparative Social Policy at the Hertie School of Governance, Berlin. Recent book titles include *Normative Foundations of the Welfare State: the Nordic Experience* (ed. with Nanna Kildal, 2005), *Survival of the European Welfare State* (ed.; London: Routledge, 2000), *Modernizing the Korean Welfare State* (co-edited with Mishra, Gilbert and Chung; New Brunswick: Transaction, 2004). Please address correspondence to: Stein Kuhnle, Hertie School of Governance, Schlossplatz 1, D-10178 Berlin, Germany. [email: kuhnle@hertie-school.org]

Pension Reform in Nigeria

How not to 'Learn from Others'

BERNARD H. CASEY
University of Warwick, UK
JÖRG MICHAEL DOSTAL
Brunel University, UK

ABSTRACT While the Chilean pension reform has received considerable attention, its emulation in Nigeria has not. This article is the first in-depth analysis of the Nigerian reform. It suggests that the Nigerian authorities failed to learn the lessons of Chile. They transposed a system that both failed to serve the country from which it was copied and that is inappropriate to the country to which it was copied. For countries such as Nigeria, alternative forms of provision for old age are needed. A social pension might be considered.

KEYWORDS *Chile, Nigeria, pension reform, social pension*

The issues of policy learning and policy transfer have attracted considerable academic attention in the last decade. Social scientists have been interested in whether learning is possible, how people learn and under what circumstances policy transfer is possible, what the role of international institutions and policy entrepreneurs has been, and at which speed policies are diffused (Weyland, 2005). At the European level, policy learning and transfer has received a quasi-official status. The European Commission has developed the Open Method of Coordination, which promotes the exchange of information, the publication of good practice, the comparison of performance against benchmarks, and relies on peer pressure as a means of initiating change and reform (Casey and Gold, 2005; Dostal, 2004; Zeitlin and Pochet, 2005).

Although the literature on policy learning covers many subjects, much of the recent interest in policy learning has been directed towards social policy in the wider sense. With respect to policy learning and pensions, a persistent interest has been with the Chilean reform of 1981, with the way in which it became an example that other countries have emulated, and with the role the World Bank

Global Social Policy Copyright © 2008 1468-0181 vol. 8(2): 238–266; 09
SAGE Publications (Los Angeles, London, New Delhi and Singap
DOI: 10.1177/1468018108090640 http://gsp.sagepub

has had in propagating it as a 'model'. Many studies have looked at the way in which other Latin American countries set up 'Chilean-like' systems (Weyland, 2004). Some have considered the way such a system was transplanted to the newly independent countries of central and eastern Europe (Müller, 1999). Others have commented that advocating pension reforms involving the introduction of Chilean-like systems into the advanced industrialized economies amounted to encouraging 'technology transfer in reverse' (Casey, 2005).

With one exception – a mainly descriptive paper produced by the International Monetary Fund (IMF, 2005a) – none of the studies have dealt with the case of the Nigerian pension reform. Yet the new pension system introduced in Nigeria in 2004 was the product of a deliberate attempt at transfer – a transfer both of broad principles of policy and of administrative and delivery structures. Nigerian policy makers were of the view that, if they could initiate such a reform, it would produce the same benefits for their country as they saw it having produced for Chile.

This article is divided into four sections. The first section looks at the policy learning and transfer processes as they apply to the Nigerian pension reform. The second section examines the reasons why reform was seen as essential, the way in which it was carried out, and the manner of operation of the new system. The third section assesses the newly reformed pension system in terms of its operating costs and its contribution to the economic development of Nigeria. In all three sections, comparisons with Chile are made. The last section discusses issues of governance and suggests that a social pension rather than a private, funded pension system might provide the way forward for old age security in Nigeria.

Policy Learning and the Nigerian Pension Reform

It might seem unlikely that Nigeria would look to Chile when seeking a model. Nigeria is not contiguous with (or even in the same continent as) Chile. Neither, as Table 1 shows, could it be perceived similar in terms of economic or social development – even if the comparison is of Nigeria at the end of the 20th century with Chile some three decades earlier. The only similarity is that, when the Nigerian pension reform was initially conceived, the country, like Chile in 1981, was ruled by a military dictatorship. It might be possible to argue that this gave Chile a 'high status' in the eyes of the then policy makers.[1]

However, by the time the Nigerian government was giving serious attention to pension reform, the Chilean model was being criticized. The World Bank had come to recognize that Chilean-like reforms had not always delivered the benefits that had initially been proclaimed, that too many assumptions had been made, and that other reforms were also required – reforms that at best complemented, or even preceded pension reform (Gill et al., 2005; Holzmann and Hinz, 2005; World Bank, 2005).[2] Equally, in Chile, dissatisfaction with the existing system, in terms of its costs and its failure to make

TABLE 1 *Comparison of Chile and Nigeria prior to pension reforms*

	GNI per capita at PPP, current $	Rural population (as % of total population)	Informally employed (as % of workers)	Illiteracy rate (% of population 15+)	Life-expectancy at birth	Age dependency rate (60+/15–59) actual and projected for 30 yrs	Statutory pension age prior to reform m	Statutory pension age prior to reform f	Pension coverage rate (as % of workforce)
Chile	2,742 (1981)[a]	19 (1980)[a]	30 (1980)[b]	8.6 (1980)[d]	69.3 (1980)[a]	7.2 and 4.9 (1980 and 2010)[d]	65	60	62 (1980)[b]
Nigeria	403 (2004)[a]	53 (2004)[a]	90 (inc. self-emp) (2004)[c]	31.9 (2003)[d]	43.5 (2003)[a]	10.6 and 10.2 (2005 and 2035)[d]	60	60	8 (2004)[e]

Notes: [a] World Development Institute; [b] Mesa-Lago (1989); [c] National Statistical Bureau of Nigeria; [d] UN common database; [e] own estimate.

adequate provision for many of the old, had been a persistent theme of the 2005–6 presidential elections. In 2006, the new administration announced wide-ranging changes to pension provision, placing greater emphasis both on solidarity and tax financing and on tighter controls on the operations of pension providers (Gobierno de Chile, 2006). In this respect, Nigeria seems to be at the very end of the 'ogive- or S-shaped' path of policy dispersion (Orenstein, 2003) – the pension reform was made at a time when initial enthusiasm was well past and disenchantment had set in.

The Nigerian pension reform project was initiated as early as 1996. It was an element of the *Vision 2010* project under which the then military government charged a team to chart the goals to be reached by the time Nigeria reached the 50th anniversary of its independence (Pension Subcommittee, 1997). One of the objectives was that 'by the year 2010 most Nigerians shall have access to some form of social protection offered by the formal Social Security Program' (Pension Subcommittee, 1997: 45). Those examining pension provision made an inventory of other countries' systems. In their end report, they presented the pension systems of: Ghana, a neighbour; the UK, the former colonial power; the United States, a dominant world power; and Chile (Pension Subcommittee, 1997). When proposing the way forward, they were emphatic that a Chilean-type system provided the solution. They argued (Pension Subcommittee, 1997: 47–8) that pensions were 'instruments for the promotion of economic growth and development' and continued:

> Countries that have set the right policies and undertake the appropriate reforms, such as Chile, have reaped very bountiful economic benefits, even beyond the dreams of the initiators. Chile, with near hero GDS/GDP ratio [savings rate] and very low per capita income in the early 80s, is today a completely transformed economy and the envy of other South American countries. Chile's rapid economic growth was mostly financed by long-term savings primarily from pension funds; channelled to the real sector through the capital market. Nigeria can perform the same feat if not better. (Pension Subcommittee, 1997: 47)

Indeed, they were sufficiently bold as to suggest that:

> Chile's economic circumstances in the 1980's were almost similar to Nigeria's today: low GDP per capita, low savings, high unemployment, high inflation, etc. Nigeria desires a quantum leap in her economic output just as Chile in the early 1980s. If the reformed pension system facilitated Chile's economic renaissance, adapting Nigeria's system to some of the good attributes is only natural and sensible. (Pension Subcommittee, 1997: 48)

The publication of the report was not immediately followed by action. This came only after the military regime gave up power and, following elections in 1999, a civilian government took office. The new government formulated its own programme for economic and political renewal, NEEDS (National

Economic Empowerment and Development Strategy), although it acknowledged that 'core values [of that strategy] draw on the Vision 2010 report' (Government of Nigeria, 2004). NEEDS emphasized macro-economic stability and put poverty reduction at the forefront. It also pledged a reform of public services, an intensified fight against corruption and an increasing role for the private sector. However, it was not until 2003 that attention was turned to pension reform. At this point, the International Financial Institutions (IFIs) became involved.

The Role of International Organizations

The IFIs played only a limited part in the reform of the Nigerian pension system. Those drawing up the *Vision 2010* report referred neither to the World Bank's seminal *Averting the Old Age Crisis* publication, nor to any subsequent Bank studies. Equally, although the IMF was aware of the *Vision 2010* exercise, and made reference to it on two occasions, it made no mention of its proposals for pension reform.[3] Neither did any contemporary World Bank reports.

The IMF, and not the Bank, seems to have been the first of the IFIs to engage with the Nigerian government on pension reform. The IMF's involvement was initiated by the government and took the form of a request for advice. That request was acted upon with alacrity – an IMF team visited the country in September 2003. The team included experts from the Bank. At least two reports were produced. Although these remain 'unpublished and confidential', they contained assessments of the transition costs for a scheme very similar to that finally legislated for and compared the replacement rates pre- and post-reform (IMF, 2005a).

In late 2003, the Bank started to prepare a technical assistance programme for Nigeria. Although this was designed to improve economic reform and governance in general, it did contain a component that was relevant to pensions. Of the US$180m made available, some 7%, or US$6.7m, was intended to support the pension reform by providing consultancy and computer systems (World Bank, 2004). The IMF initiated a Policy Support Instrument (PSI) with Nigeria that involved the Fund offering help in assessing the progress of NEEDS and (as appropriate) endorsing progress made, but it offered no financial assistance. Elements of the pension reform programme were included in the PSI agreement (IMF, 2006).

The manner by which the Bank became involved might, in part, be attributed to personalities. A Nigerian economist, who held a senior position at the Bank, was recalled from Washington as an advisor to the president as early as 2000 and appointed minister of finance shortly after the 2003 election. Although she had had no direct involvement with Latin America or with pensions, the Chilean model cannot have been unfamiliar to her. Moreover,

Nigeria had long been a beneficiary of Bank assistance and the conclusion of the loan agreement could be seen as recognition of acceptable progress.

There are no indications that Bank assistance was made conditional upon a particular kind of pension reform. Indeed, the Bank has claimed it advised against the establishment of a 'multi-pillar' system in Nigeria on the grounds that the financial sector there was insufficiently developed (World Bank, 2005).[4] As far as the Nigerian government was concerned, taking steps to reform pensions was seen as a way of improving the country's credibility. Pensions were a component of public expenditure, and one over which little control had been exercised in the past. Thus, reforming pensions was seen as consistent with efforts to improve fiscal policy making as a whole. The inability of the government to produce satisfactory information on pensioner numbers or pension liabilities made improvements in data an item of the reform upon which both the Bank and the IMF concentrated – the Bank via its loan to improve economic governance and the Fund via the PSI. The IMF was also concerned that many pensions, although promised, were either totally unpaid or only partly paid. If these pension liabilities were recognized, the size of the public debt might be considerably larger than that recorded in the published accounts (IMF, 2005a).

The other international body that became involved in the pension reform was the International Labour Organisation (ILO) – through its social protection division. Like the Bank and the Fund, the ILO commented upon the lacunae of data recording systems. The ILO was drawn in relatively late – in response to a request from the Nigerian pension authority to assist it in calculating the entitlements of those who would not transfer to the new system.[5] Although the ILO did not favour Chilean-style pension systems, it saw itself as having a more general obligation to ensure that people affected by reform did not lose the rights that they had acquired (ILO, 2006).

The New Nigerian Pension System

The Nigerian reform was radical. It involved a new basis for determining pensions and new delivery structures. In this section, the factors that motivated the reform are examined in more detail. Thereafter, the manner of operation of the new system is described. Last, the structures by which it is regulated are presented.

THE REASONS FOR REFORM

There were some similarities between the pre-reform pension systems of Chile and Nigeria. The most notable of these was the way in which each system was rather fragmented. By 1980, there were some 32 different pension schemes in Chile and under these nearly 100 different plans. Although three schemes accounted for the majority of contributing members – blue-collar

and white-collar workers and public sector employees – these were not uniform in their conditions. The scheme for public sector workers was the most favourable in terms of retirement age and benefit calculation formula (SAFP, 2003). There were special schemes for specific occupational groups – of which the most important, quantitatively, was the scheme for the military – and the privileges available under these schemes were substantial.

In Nigeria, too, there were many pension schemes (Pension Subcommittee, 1997; see also IMF, 2005a). Most were much newer than those of Chile. It was not until after independence, in 1960, that the first national scheme was introduced in Nigeria. It was developed out of the provident fund scheme that had operated for the colonial civil service and, like it, took the form of a severance payment scheme, paying a lump sum on retirement. It was not until 1994 that a National Social Insurance Trust Fund (NSITF) that paid out an annuity was established.

The NSITF covered only private sector workers. It was overshadowed by the various schemes for public sector employees. There were special schemes for federal public servants, for the (federal) police and security services and for the military. At the same time, each of the 36 federal states, plus the capital territory, had its own pension system for its public employees, as did each of the 774 local government authorities. In addition, each of a multitude of publicly owned (federal or state) enterprises (often referred to as 'para-statals') had its own pension scheme.

The retirement age was normally 65, but federal civil servants could retire on a full pension after 35 years' service, as could military personnel after 10 years. The maximum pension under the NSITF scheme was fixed at 65% of last salary, but for federal civil servants it was 80%. Last, pensions for federal civil servants were supposedly adjusted in line with civil service salaries. By contrast, there was no provision for indexing in the legislation covering the NSITF scheme.

A yet more important difference between the various Nigerian schemes was their financing. The pension schemes for federal, state and local civil servants were non-contributory and unfunded. The NSITF scheme operated on a PAYGO basis, being financed by employee and employer contributions. The pension schemes for para-statals were non-contributory but, at least nominally, funded.

Private sector firms could establish their own occupational schemes, and these provided both pension and severance payments. Some were contributory, some not. Some were funded, some not. How widespread these occupational schemes were is unclear. Many were small. Those that were funded, and thus eligible for tax privileges, covered only a few thousand employees (Pension Subcommittee, 1997).

By the mid 1970s, nearly 80% of the Chilean workforce was covered by one or other of the statutory pension schemes. Even by the end of the decade, the coverage rate was some 68% (SAFP, 2003). In contrast, the coverage rate of the

TABLE 2 *Coverage of pension schemes in Nigeria*

	000s	*As % share of total workforce*	*As % share of formal employment*
Total workforce[a]	48,000	100.0	
All in formal employment[a]	4,800	10.0	100.0
Federal civil servants[b]	160	0.3	3.3
State government employees[c]	800	1.7	16.7
Local government authority employees[c]	500	1.0	10.4
Police[d]	160	0.3	3.3
Other federal security employees[e]	82	0.2	1.7
Military[e]	80	0.2	1.7
Para-statal employees[f]	1,300	2.7	27.1
All public sector employees	3,082	6.4	64.2
Contributors to NSITF[g]	630	1.3	13.1
All in a pension scheme	3,712	7.7	77.3

Notes: [a] Nigerian Bureau of Statistics; [b] http://allafrica.com/stories/200607270298.html; [c] Barkan et al, 2002; [d] http://www.cleen.org/policing.%20driver%20of%20change.pdf; [e] http://www.nationsencyclopedia.com/Africa/Nigeria-ARMED-FORCES.html; [f] Nigerian Bureau of Public Enterprise; [g] ILO (2006).

Nigerian system was scarcely 8%. In Chile, it was only the self-employed – perhaps a quarter of the workforce – who were not liable to contribute. In Nigeria, some 90% of those who work are in the informal labour market. Moreover, of private sector workers, only those in establishments with at least five employees were obligatorily insured. In an economy of micro-enterprises, these workers made up a tiny fraction of the total. As Table 2 shows, the majority of covered workers were public servants and employees of para-statals.

Not surprisingly, pension expenditure for retired public sector workers dwarfed expenditure for retired private sector workers – in 2004 federal government expenditure on pensions for federal civil servants, the police and the military were the equivalent of nearly 0.9% of GDP, while benefits paid out by the (admittedly immature) NSITF system were the equivalent of under 0.01 per cent of GDP.[6]

Both the Chilean and the Nigerian system were regarded as over-costly. The Chilean system, which was absorbing some 3% of GDP in 1980, was forecast to be costing 20% of GDP by 2000 – the result both of demographic developments and of improvements to entitlement that had been legislated (SAFP, 2003). The Nigerian system was seen as vulnerable not because of adverse demography but because of its generosity. Reference was usually made to the schemes for federal employees, to the opportunities these offered to take some form of benefit after a very short period, and to the low minimum age of entitlement to a pension. It was less frequently made to the schemes for state and local government employees, but the IFIs frequently commented upon the fiscal deficits run by lower level administrations and

upon the need to take control of government expenditure here. The pension reform was seen as helping to put the system on a 'fiscally sustainable footing' (IMF, 2005c: 66).

Both the Chilean and the Nigerian systems were regarded as inefficient and inequitable. Criticism of the Chilean system concerned the high contribution rates that discouraged employers from hiring labour and both employers and workers from making proper declarations of earnings. The differences in retirement ages for different categories of worker, and the way in which linking benefits to final earnings disadvantaged those with interrupted careers and those doing manual work, were pointed to (SAFP, 2003).

In the case of Nigeria, the privileges of civil servants were mentioned – the reform was also intended to make the system 'equitable' (IMF, 2005c: 66). On top of this, the various parts of the system were seen as inefficient. The occupational pension schemes run by the para-statals were largely unregulated and unsupervised (Milliman, 2002). The NSITF had no proper information technology and many records were merely on paper (IMF, 2005a; Pension Subcommittee, 1997). Administrative costs were high – consuming over a quarter of total income in 2004 and over three quarters at the start of the century.[7] There were allegations that the pension records of some parts of the civil service, the military and the para-statals were 'padded' with 'ghost pensioners', but it was also recognized that pensions for former federal and state employees often went unpaid (see many reports at http://www.globalaging.org). Estimates for the extent of arrears to former federal employees (including those from the military and from federal para-statals) have been put in the order of 2–3% of GDP, while arrears for state and local government pensioners cannot even be quantified (IMF, 2005a).

THE POLITICS OF REFORM

Soon after re-election in 2003, the president set up a Pension Reform Committee. Membership of that committee remains unclear – it is often referred to by the name of its chairman, i.e. as the 'Adeola Committee'. It did not start its work from scratch but rather built on the proposals of the *Vision 2010* committee. Its chairman had been a member of that committee, although not of its pension subcommittee, and his committee drew very closely from the pension subcommittee's findings and recommendations.

The Adeola Committee considered not so much basic principles but rather the details associated with establishing a Chilean-style system and with drawing up the appropriate legislation. Legal drafts were circulated for discussion with interested and affected parties, in particular representatives of business – the Nigerian Employers' Consultative Organisation (NECA) – and labour – the Nigerian Labour Congress (NLC), the Trade Union Congress (TUC) and Confederation of Free Trade Unions (CFTU). This did not prevent the NECA from complaining of being excluded from critical discussions. Initially, both business and labour argued that pension reform should focus on addressing existing pension

arrears in the public sector. Both were concerned about the future of the tri-partite NSITF – both enjoyed an entrenched position in its administration. The NSITF collected contributions from employers and employees in the formal private sector and had built up a reserve. There were fears that one purpose of the reform might be to acquire these assets and to use them to solve the pension crisis in the public sector (Oshinowo, 2003).[8]

The demands of business and labour were, in part, satisfied by allowing the NSITF to establish a Pension Fund Administrator (PFA), an option that had featured in the 1997 report of the *Vision 2010* committee. Co-owned by the NSITF, the NLC, the TUC, the NECA and three financial service companies, that PFA – 'Trustfund' – has equal representation of business and labour on its governing board.[9] This did not prevent business from continuing criticism of the reform, although its opposition became more muted. Business and labour were also given one seat each on the Pension Commission (PenCom), the body that was to regulate the new system.[10] Subsequently, both business and organized labour stood behind the new system and, through their participation in Trustfund, actively promoted it.

The Pension Reform Act of 2004 concerned only federal-level schemes. The remit of the federal government with respect to pension policy did not cover the 36 federal states, the local government authorities below them, or the parastatals that these states might have established. The most the government could do was to exhort lower level governments to emulate the reform. PenCom duly drafted a law that each state could apply. It took two years before all agreed to enact the necessary legislation (Komolafe, 2006). As of spring 2007, six states had completed the process and sixteen were in the final stages of doing so.[11]

HOW THE NEW PENSION SYSTEM WORKS

Apart from its coverage, the new Nigerian system imitates the Chilean system closely. The similarities can be seen in Table 3.

Transfer to the new system is obligatory. Contribution rates for employees will actually be increased. Civil servants moved from paying no contribution at all to paying 7.5% of salary and private sector workers saw their contribution rate rise from 3.5% to 7.5%. There is no legal requirement for any compensation to be made to employees for the fall in take-home pay. The contribution rate for private sector employers also rose – from 6.0% to 7.5%. For federal employers, pension costs were made more explicit, since these have to pay the 7.5% employer contribution.[12]

Comparing benefits between old and new systems is fraught and depends upon a myriad of assumptions. At the time of the Chilean reform, it was argued that the new system would offer benefits as favourable as its predecessor – some 80% of last earnings. Later estimates, using 'more realistic' rates of return and expected persistence of contribution, suggest a replacement rate of about 40%, with somewhat more for men and somewhat less for women (IMF, 2005b; Mesa-Lago, 1994).

TABLE 3 *Comparison of Chilean and Nigerian mandatory pension systems*

	Chile	*Nigeria*
Public PAYGO	Closed	Closed
Covered workers	All employees, including agricultural workers and domestic workers	All federal civil servants, military, police, private sector employees in enterprises with 5 or more employees
Non-covered workers	Self-employed (unless choosing), family workers, the military	State and local government employees, self-employed and employees in enterprises with fewer than 5 employees (unless choosing)
For new/for existing employees	Mandatory/initially voluntary	Mandatory/mandatory (unless within 3 years of retirement)
Contribution (pension only)	10%, employee only	Private sector and federal government – 7.5% employee, 7.5% employer; military – 2.5 employee, 12.5% employer
Payout	Annuity, deferred annuity and drawdown, scheduled drawdown	Annuity, deferred annuity and drawdown, scheduled drawdown
Minimum pension	Yes, but set on ad hoc basis at about 75% of minimum wage, subject to min. 240 months contributions	Under old system 80% of minimum wage, under new system, yes but not specified
Disability pension	Excluded, requirement to take out a separate insurance with pension fund	Early pension permitted but no enhancement of benefits
Survivors benefit	Covered by supplementary disability insurance	Employer required to take out life insurance for the employee
Mandatory investment targets	Relative to average	Separate targets per asset category (e.g. for government bonds, weighted average of 2 year bond rate; for equities, Nigeria all shares index)
Asset allocation rules or 'prudent man'	Asset allocation rules	Asset allocation rules

(Continued)

TABLE 3 (Continued)

	Chile	*Nigeria*
Contribution collection	Decentralised (by pension funds)	Decentralized (by pension funds)
Past contributions	Covered via recognition bonds (redeemed at point of retirement)	Public sector unfunded schemes – covered via recognition bonds (redeemed at point of retirement) financed by transfer of 5% of wages into special redemption account at CBN; private sector (in old PAYGO) – accrued values to be calculated and credited to new individual accounts
Charges	Average 1.61% of wages on top of contribution[a] (effectively making average contribution rate c.11.6%) [approx. equal to charge of 1.2% of assets under management over 20 years]	Maximum 3% of assets under management (plus trivial Niara 100 per month as contribution) [approx. equal to making total contribution rate c.19.5% over 20 years]
Transfers between funds	Max. twice per year	Max. once per year

Note: [a] Excludes mandatory disability insurance contribution.

The proponents of the Nigerian reform were not explicit about what the scheme would offer, describing it only as providing a 'stable, predictable and adequate source of retirement income' (PenCom, 2004). Simulations carried out by the World Bank and the IMF suggest that the replacement rate for a person with a full career will be in the order of 40% of final wage or salary – to be compared to the maximum of 80% awarded under the federal civil servants scheme and of 65% under the NSITF scheme. Although this suggests a substantial cut in benefits, the IMF argued that the new system, unlike the old, ensures pensions will actually be paid, so that effective replacement rates might not be so different (IMF, 2005a). On the other hand, it also conceded that, to the extent that arrears were paid, this argument would be weaker.

With respect to the fashion in which benefits are taken upon retirement – an annuity but with opportunities to take a lump sum and to make programmed withdrawals – the Nigerian scheme mimics the Chilean one almost exactly. Like the Chilean scheme, it also provides for a minimum pension. However, nothing is said about the level of this pension or how it is financed. If the minimum is the same level as under the NSITF system (80% of the minimum wage), it is not high.

One of the few differences between the two systems is the treatment of disability and of survivors. The Chilean system keeps disability benefits outside the old age pension system. Disability insurance is mandatory, but an additional contribution – some 1.5% of insurable wages – is required. The new Nigerian scheme follows on from the NSITF scheme in offering an early pension to those deemed 'no longer mentally or physically capable' of carrying out their current job or are obliged to retire due to 'total or permanent disability either of mind or body'. However, there is no suggestion as to the pension being enhanced or topped up in any way to take account of lost years. The supplementary disability insurance under the Chilean system also provides benefits to survivors. Under the NSITF, survivor benefits were available, but under the new system these are provided by life insurance policies that employers are required to take out for their employees.[13] The policy is taken out by the employer, who is obliged to cover the premium in addition to the contribution made for a pension.

In order to deal with accrued entitlements, the Nigerian reform copied the Chilean reform by granting recognition bonds – in the Nigerian case, these are called 'Federal Government Retirement Bonds'. These bonds cover only the pensions of federal civil servants and other federal employees. Under the Chilean reform, a recognition bond was made out in the name of each contributor and placed in his or her individual account, the value being calculated as an amount sufficient to pay that fraction of the full pension that had been earned by service and wage to date. Under the Nigerian reform, arrangements are less clear. Bonds are to be issued to individuals, but no value has yet been set beyond the requirement that 'the right to retirement benefits … be recognised' (Pension Reform Act, 2004: para. 12.1).

The obligation behind the recognition bonds is supposedly met by each federal ministry or authority transferring the equivalent of 5% of its wage bill to a special central government account. However, there is no explanation of the adequacy of that sum, since no actuarial appraisal of the old systems was carried out. Arrangements for private sector employees are even less transparent. All contributions made in the employee's name to the NSITF are supposed to be calculated and, other than those necessary to administer and pay minimum pensions, be credited to a retirement savings account held by Trustfund.[14] The government seems to have given itself some space of time to resolve the question of what transfer values will be, since the assets held in this account cannot be transferred to another PFA for five years.[15]

The absence of clarity is a cause for some concern. In Chile, calculating transfer values was not without problems. Assessment was made on the basis of wages in the period two years prior to the reform. In Nigeria, where record keeping is acknowledged as a problem and inflation is high, it is uncertain what value the Retirement Bonds will have or how much of the real value of accruals will be transferred. Moreover, the opportunities for favouritism and discrimination are potentially rife.

THE REGULATION OF THE NEW SYSTEM

The importance of institutional capacity and effective regulation for the successful operation of a system based on individual accounts is widely acknowledged. Effective banks and life assurors – the providers and custodians – and a transparent and well-functioning equities and securities market – for the investment of assets – are required. So, too, is a dedicated regulator of the pension system and a dedicated regulator of financial services and financial markets. Clear accounting standards and reliable measures of creditworthiness are also needed.

An appropriate infrastructure was built up gradually in Chile. Some elements pre-dated the 1981 pension reform, some were created simultaneously and others later (SAFP, 2003). By the time the pension reform was made in Nigeria, a considerable number of the necessary elements were in place, but not all were functioning satisfactorily. The World Bank economic governance project sought to improve the capacity of the Economic and Financial Crimes Commission (EFCC) – the body set up to fight corruption – and the Securities and Exchange Commission (SEC), to assist in the greater use of International Accounting Standards and to strengthen the Nigerian Standards Accounting Board. The appropriations for these objectives (US$6.6m) were almost as great as those made to assist the pension reform (World Bank, 2004).

Not surprisingly, there is a high degree of similarity in the pension governance systems of Nigeria and Chile. The Nigerian Pension Commission (PenCom) closely mirrors the Chilean Pensions Superintendency. These overseeing bodies are responsible for approving pension fund administrators (PFAs) and pension fund custodians (PFCs). In both countries administrative and custodian roles are separated.[16] One of the Nigerian PFAs – Trustfund – differs from any other (including those in Chile) in being overseen by a board on which sit representatives not only of government but also of labour unions and business – something out of which it makes a virtue in its publicity material.[17]

PenCom, like the Superintendency, is responsible for setting rules governing investment portfolios. When the Chilean pension reform took effect, the domestic credit rating infrastructure was relatively underdeveloped. Determination of whether assets were of investment grade was the task of a Risk-Rating Commission, consisting of the Superintendency and representatives of financial institutions. Local credit rating agencies grew up later. In Nigeria, an indigenous rating agency had existed since 1992, but a second came into existence only recently. Its founding appears not unrelated to the requirement that, as is now the case in Chile, the issuer of any security in which pension assets are invested must have been rated by at least two agencies.

In the early years, the Chilean pension funds were forbidden to invest in equities or to invest abroad. It was only after some years that rules on equity investment were relaxed and only in 1991 that investment abroad was permitted. At present, Nigerian PFAs are forbidden to invest abroad and tight limits are placed on the extent they can invest in equities. On the other hand,

TABLE 4 *Nigerian investment rule restrictions*

Asset type	*Details*	*Maximum within portfolio (%)*	*Minimum rating*
Federally issued instruments	No limit	100	None (but currently rated BB by S&P and BB – by Fitch)
Instruments issued by a federal state	Max. 2% of assets of any one state and not more than 2% of any one issue	20	None (none currently rated)
Corporate bonds, REITs, mortgage- and asset- backed securities and debt instruments	Max. 2.5% of all issues of any corporate entity and not more than 2.5% of any one issue	30	BBB
Certificates of deposit and bankers' acceptances (money market instruments)	Max. 1% with respect to any one bank	25	A
Ordinary shares	Max. 1% in any one company and not more than 1% of that company's value	25	BBB (but AAA if IPO)
Open and closed funds	Max. 0.5% in any one fund and not more than 0.5% of that company's value	5	A
Foreign investments	Guidelines still to be issued		

investment in federal government securities is encouraged – these are automatically deemed as being of investment grade.[18] Investment rules are shown in Table 4.

The 2004 Pension Reform Act and the guidelines issued by PenCom demand a high level of professional knowledge by PFA and PFC personnel and lay down severe penalties for professional misconduct. On the other hand, they ignore one of the recommendations on pension fund asset management made by the Organisation for Economic Co-operation and Development (OECD, 2006) – that a PFA should provide a written statement about its investment strategies. This means that potential contributors have no opportunity to evaluate differences in investment strategies when making their choice of provider. None of the 13 PFAs initially operating provided such details, save the sole PFA offering three plans and distinguishing them as 'equity biased', 'balanced' and 'fixed income'.

Assessing the Nigerian Reform

Nigeria's reformers claimed that the reform would bring major benefits. Because it is so new, it is not possible to compare outcomes with aspirations. Nevertheless, there are some lessons that can be drawn from the experience of Chile, and these provide a basis for making an assessment of the Nigerian reform. This section considers both micro and macro issues – the costs associated with running such a pension system and the benefits such a system might have for the wider economy.

THE COSTS OF THE NEW SYSTEM

The 'Achilles heel' of pensions systems built around private, individual accounts has always been their administrative costs – the costs of collection of contributions, of management of accounts and of assets and the costs of 'annuitization'. Relative to public, PAYGO systems, systems of individual accounts lack economies of scale. A recent comparison of pension costs in the UK suggested that, while the overall costs of running the public pension system accounted for about 0.1% of contribution income, the costs of running a system based upon private accounts accounted for between 1–1.5%. This was sufficient to reduce the amount saved by up to 30% (Pensions Commission, 2005).

Many of the criticisms of the Chilean system have centred upon the costs that this implied. Under it, charges are levied as a supplement to contributions. There is no attempt to regulate the level of the charge – it was presumed that competition between PFAs would keep these down. This failed to happen. A considerable number of funds – 12 – were established initially, but rather than a competitive market of providers, an oligopoly, characterized by a lack of transparency with respect to essential details, prevailed (World Bank, 2005).

PFAs competed with one another not on cost but on 'service'. However, service meant superficial attractiveness. Plans were marketed, and an army of salespeople, rewarded on a commission basis, was recruited. In the early years, there were as many as 80,000, the equivalent of 2% of the labour force (Mesa-Lago, 1989). Commission-based salespeople offered gifts to those signing up, and sought to win over members of rival plans. Winning the latter over was made easier since there were no restrictions on the number of switches permitted. There was no correlation between charges and number of affiliates, or between charges and nominal returns (Mesa-Lago, 1994; World Bank, 2005).

To the cost of selling, which was a 'recurrent' cost, had to be added the enormous set-up costs that the individual pension providers had to bear. Moreover, the situation scarcely improved over time. At one time – 1994 – there were as many as 21 providers in the market, although, since then, consolidation has reduced the number down to six, of which the largest two account for two thirds of contributors and well over half of assets under management (Arenas de Mesa and Mesa-Lago, 2006; SAFP, 2003). The average level of charges actually rose over time before falling again to initial levels (World Bank, 2005). This was, to

some extent, a consequence of government intervention. The Superintendency required that administrative charges be declared separately – i.e. not bundled with the disability and survivors' insurance premium – and exhorted providers to cut back on marketing and advertising efforts (World Bank, 2005). Even this has not been sufficient. To bring charges down, the government is now proposing that each year all new entrants be allocated to the provider offering the lowest charges and also committing itself to apply these to existing contributors (Gobierno de Chile, 2006).

The new Nigerian system suffers many of the same weaknesses. Initially, there were 13 open PFAs (as of 23 October 2007) competing for members and four custodians competing to manage the assets the plans collect. There is a maximum charge levied on assets under management, but this is 3% – twice as high as the destructively high 1.5% cited earlier and 10 times as high as the 0.3% at which an efficient, privately-managed system of individual accounts ought to be able to function (Pensions Commission, 2005). If the full charge were indeed levied, this could reduce savings over a 30-year period by over 40%.[19]

Competition among the plans might drive charges below the 3% maximum, but this remains an aspiration. Each of the Nigerian PFAs engages in advertising, and each has its own website. Some of these are highly sophisticated and contain animated features. They compete on appearance. None make mention of the charge that is to be levied. Certain of the PFAs have a relatively privileged position. Inertia, together with its access to the records of the NSITF, is likely to give Trustfund an advantage in enrolling private sector employees.[20] However, if the experience of Chile is valid, it is likely that few of the PFAs will survive, while the fewer PFAs there are, the lower the likelihood that competition occurs and the higher the likelihood that savings go not to finance old age but to support a new branch of the financial services industry.

Furthermore, any failure of a PFA is likely to bring its own costs. At the very least, the government might find itself obliged to pay minimum pensions to members of schemes that have failed. In fact, political pressure is likely to require intervention on a greater scale. In the early years of the reformed Chilean system, a number of pension fund providers were obliged to cease operating. Four of the largest PFAs came close to insolvency during the early 1980s and were rescued only by the government becoming, at least temporarily, the majority shareholder. A fifth was taken over by a creditor bank (Mesa-Lago, 1989). It is clear that, although the system was supposedly private, its survival depended upon support from the state. The same could be said to hold for the new Nigerian system. The government might be unable to allow it to fail.

Other costs to the state are those commonly referred to as 'transition costs'. Between half and three quarters of the value of the accounts of people retiring in Chile in the first 20 years of the reform was made up of the Recognition Bonds they had been awarded (Mesa-Lago, 1994). Redeeming these bonds placed a burden upon public finances that had to be met by the issue of new

debt or the renunciation of spending for other purposes. Transition costs are unavoidable. There are opportunity costs to reforms of the type undertaken, whether or not they are declared through recognition bonds or some equivalent. Experience suggests that net costs are high in the initial decades following reform, tail off only after some 25 years and become negative only after some 40 years (Casey, 2004; Mesa-Lago, 2005).

In the case of Nigeria, the sole attempt at costing appears to be that carried out by the IMF and the World Bank in late 2003. Over some unspecified period, the new system for federal government employees will be only 10% cheaper than the old system. However, the IMF admitted that even this might be an overestimate, since it took no account of the contingent liabilities of the minimum pension (IMF, 2005a).[21] The ILO analysis of liabilities with respect to private sector pensioners and those close to retirement suggested that these might be as high as Niara 211bn – more than 5 times the value of the reserve that the NSITF had built up to date (ILO, 2006).

THE IMPACT ON CAPITAL MARKETS AND GROWTH

It is frequently argued that establishing a funded pension scheme can contribute to the development of capital markets and that the resulting accumulation of savings will promote economic growth.[22] The Nigerian government certainly stressed this. Describing the 'strategic implications' of the reform, it talked of 'the new scheme's potential to promote national savings' and, by implication, economic growth; of how funded pension schemes 'have the capacity to promote capital market development'; and of how 'DC schemes are believed to have the potential to generate positive economic externalities, including the promotion of deeper, more competitive, and more liquid financial markets' (PenCom, 2004).

The extent to which the Chilean reform has had a positive impact upon capital market development is disputed. Some have credited it with generating 'a financial deepening process that can be a decisive factor in order to develop a domestic capital market' (Haindl, cited in Matijascic and Kay, 2006: 12). The IMF has repeated this position, suggesting that '[t]he new system has created a significant demand for investment assets and has helped develop capital markets' (IMF, 2005b: para. 10). A more nuanced view is given by a recent World Bank study. This concluded that 'capital market development in Latin America (and in Chile in particular) has been driven largely by regulations imposed by the government on the pensions industry and other financial institutions' and that 'the role of pension funds in the development of capital markets in Latin American countries is largely determined by government instructions that touch every aspect of their operations, from the amount of contributions that the industry receives to the investment of pension assets' (Yermo, 2004: 2–3).

Others have been more sceptical. They have argued that pension reform by itself will not lead to improved capital markets since successful reforms also

require regulatory changes, market liberalization, and the privatization of state-owned industries (Matijascic and Kay, 2006) and that 'it is *only* the combination of pension reform, privatization of public utilities, and effective regulation, against the background of very favorable macroeconomic conditions, that can explain the rapid development of capital markets in Chile' (Barrientos, 1998: 143, emphasis added).

The impact of funded pension systems on savings rates is also unclear. The academic literature is, at best, agnostic. It is recognized that saving can take many forms, one of which might substitute for another, and that increased savings by one party might merely finance increased indebtedness by another (Holzmann and Hinz, 2005; Orzag and Stiglitz, 2001). In the case of Chile, a substantial increase in the national savings rate was observable in the years immediately following the 1981 reform. However, much of this could be attributed to the tight fiscal policy, involving substantial budget surpluses, that was being pursued by the government. Moreover, although a major increase in corporate savings was also observed, this was attributed, as much as anything else, to a 1984 reform that reduced tax rates on both undistributed and distributed profits (Yermo, 2004).

As important as the level of savings is the form that they take. Funded pension schemes are argued to contribute to the development of long-term savings and, so, to the availability of long-term finance for investors. Because productive projects are less liquid, an increase in the availability of long-term capital should, on average, increase the returns to be made on investing in such projects (Holzmann and Hinz, 2005). Even if pension schemes invest solely in government bonds, they might have a positive impact in so far as they stimulate the debt market. 'They can create a demand for long-term rather than short-term public debt, and this eventually helps to build the yield curve' (Holzmann and Hinz, 2005: 113–14).

What is important is what actually happens. In the case of Chile, it is less certain that the pension system was able to channel finance to industry. Pension fund investment in equities has remained low, and Chilean PFAs own only about 10% of the stock market. Strict investment regulations prevent them from investing in equities that are not rated as investment grade. Yet the companies that could issue such equity tend to have adequate, and often cheaper, access to capital over the banking system, including access to finance from abroad. Those companies that have the greatest need for capital are not able to access pension savings and remain reliant on bank lending. In total, and over 20 years after the reform, banks still supply over five times more capital to Chilean industry than PFAs. At the same time, the PFAs own some two thirds of government debt (Yermo, 2004).

An assessment of whether the Nigerian pension reform is likely to contribute to economic development requires an appraisal of the country's financial infrastructure. The IMF concluded that, '[o]verall, [that infrastructure] has not fostered stability or supported investment and economic development', and it deemed the financial environment to be one of 'high risk'. As a

consequence, banks were reluctant to supply loans to the real economy. The Fund also pointed out that long-term bank lending was unavailable and that the corporate bond market was inactive. Only larger, more established firms had access to equity financing through the domestic stock exchange. The banking system as a whole was 'unsound'. The level of non-performing loans was high and misreporting, systemic under-provisioning, widespread insider lending, and illegal transactions were common. A heavy reliance on cash was a sign of public mistrust of financial institutions (IMF, 2005d: para. 86).

The World Bank also saw Nigeria as lacking a financial sector that was strong enough to support a multi-pillar pension system and advised against reform of the sort that was being planned or undertaken. It described the country's financial sector as 'characterized by high margins, low levels of intermediation, and few financial products or services' (World Bank, 2005: Chapter 2).

A comparison of the Nigerian stock exchange with that of other countries where funded pension systems are to be found underlines the concerns both of the Fund and of the Bank. In 2004, the Nigerian stock exchange had a capitalization of little over 20% of GDP, compared to some 100% or more in the Netherlands, the UK and the USA. In terms of liquidity, the Nigerian exchange was even less important. The value of securities traded in that year was under 2% of GDP, compared to 100% or more in the countries mentioned earlier. Volumes traded relative to capitalization were similarly low. Moreover, stock market valuation refers to the value of all securities listed, not only to the value of those of investment grade. Of the 200-plus quoted companies, only some 60 have been rated at all. The number of instruments – equities, bonds and government paper – that might be eligible for receipt of investments by pension funds is reckoned to be no more than 40 or 45.[23]

The assets that are building up in the pension funds – currently at a rate of some US$45m per month, but US$100m if the federal scheme was fully up and running – are currently being invested in money market instruments. The fiscal surplus that is currently being run by the federal government means that there is not even a sufficiency of treasury bills in which they could be invested. Moreover, the price of domestic shares is currently being inflated by the shortage of new issuances, since domestic companies that are of investment grade have no need to raise additional capital. The shares of the multi-national oil companies that are active in Nigeria are neither quoted on the Nigerian stock exchange, nor are the shares of the recently privatized telecommunications companies, since these companies were bought up by foreign operators. The initial public offering of the one major company that was launched to manage a further range of privatized operations was undersubscribed and its shares, in any case, have not been deemed fit for pension fund investment.[24]

As a consequence, the regulator, PenCom, has had to take upon itself the somewhat unexpected role of encouraging the development of appropriate long-term financial instruments. It has pinned its hope on 'infrastructural

bonds' that would finance improvements of communications and energy and, thus, improve Nigeria's productive potential. Exactly who would issue these bonds is unclear. To be of investment grade, they would, effectively, have to be backed by existing, rated domestic financial institutions. Since these have neither the interest nor the skills to develop such products, PenCom is looking for foreign advisors to assist it in realizing its aspirations.

It might be argued that the situation of Chile prior to the 1981 reform was not dissimilar to that of Nigeria at the start of the millennium. It is true that the Chilean stock market was small and illiquid. It grew partly as a result of a large-scale privatization programme that did not merely involve buy-ups by foreign companies, and in part as a result of a programme promoting economic stability that encouraged investor confidence. How far either has been achieved in Nigeria is uncertain. Pension reform alone will not create such conditions. It did not do so in Chile. Rather, it is only if such conditions prevail that pension reform in Nigeria has any chance of success.

Conclusions

Nigeria was the first country in sub-Saharan Africa to introduce a pension system based on individual, funded accounts. Two issues arise – whether the infrastructure exits that permits the operation of such a system and, yet more fundamentally, whether such a system is appropriate for the needs of a country like Nigeria. Both issues are addressed below.

GENERAL GOVERNANCE ISSUES

Clear regulations are a necessary but not a sufficient condition for good governance. An appropriate implementation and enforcement culture is also required. However, Nigeria is known for its low scoring on measures of sound administration. Even by 2005 there were only five countries placed lower than Nigeria out of the 158 rated by Transparency International (http://www.transparency.org). Equally, it was scarcely above the 6th percentile on the World Bank Institute rating of countries with respect to 'control of corruption' and 'rule of law' and only in the 16th percentile with respect to 'regulatory quality' (http://www.worldbank.org/wbi/governance). Moreover, many Nigerian commentators share the pessimistic views of external assessors (Oshionebe, 2004).

Any evaluation of the new pension system needs to take account of this. Even a casual analysis of the composition of personnel in the emerging pension fund industry shows a high degree of overlap with other business interests. Thus, two of the four PFC directors had also been members of the *Vision 2010* committee. The first chairman of PenCom was appointed as the managing director of Transcorp – the company founded to play a leading role in the privatization of state-owned enterprises. The chairman of Transcorp was the director general of the Nigerian Stock Exchange (NSE),

and in this function, she promoted Transcorp shares to potential stock buyers (Abati, 2006; TMCnet, 2005). When the chairman of PenCom fell out with the president and was dismissed, he was replaced by a former managing director and chief executive of a bank that is the parent company of one of the four approved PFCs. Moreover, the heads of the major regulatory institutions – the SEC and EFCC, as well as PenCom – are hand-picked by the president who can also dismiss his appointees at any point.[25] There is a pattern of general lack of regulatory autonomy of Nigerian institutions (Herskovits, 2007).

However, it also has to be asked why the current reform was undertaken at all. A major push factor was that the old system was characterized by large-scale non-payment. At least part of the failure to pay out promised pensions in a timely fashion is attributable to the fact that almost all federal government revenue comes from a single source – oil – the price of which is unstable, while the distribution of the revenues lies with the federal government alone. Downturns in the oil price could significantly curtail income while leaving obligations, including pension obligations, unchanged. This applied as much to pensions owed to employees of the individual federal states, and the local governments below these, as to the pensions owed to employees of the federal government itself. The resources of lower levels of government consisted primarily of their entitlement to a predetermined share of national oil revenues. Moreover, the individual states and local governments have no control over the salary levels, and so pension entitlements, of their employees – these were set federally (Adamu, 2005; Barkan et al., 2001). All of this had been recognized in the *Vision 2010* report, and it had led it to pronounce that '[o]nly the rich [countries] can successfully operate an unfunded, non-contributory pension scheme' (Pension Subcommittee, 1997: 31).

The *Vision 2010* committee had set the objective of most Nigerians having access to a formal social security programme (Pension Subcommittee, 1997: 45), and it argued this could be achieved by establishing a funded pension system backed by large-scale privatization. Yet this objective was not met by the reform of 2004. The new system continues to exclude the poor and workers in the informal sector. Furthermore, federal, state and local employees might see the high deductions from their salaries for the funded pension system as another tax and might resist the new system in various ways. Last, it is at least questionable whether selling of state enterprises and issuing of shares to absorb pension savings, together with the transfer of pension management to private companies, will solve governance problems and uproot corruption.

AN ALTERNATIVE APPROACH: SOCIAL PENSIONS

If neither the old nor the new pension system is appropriate, policy makers might look at whether there are other ways to provide for older people in countries such as Nigeria. One of these might be a social pension – a cash transfer to old people in which eligibility is on residence and where financing

comes not from contributions but from general tax revenue. The contribution of social pensions to the objective of poverty relief in developing countries has been long advanced by the ILO; more recently, it has been recognized by the World Bank as well (Holzmann and Hinz, 2005; Palacios and Sluchynsky, 2006). Social pensions have been credited with positive developments in those countries that have introduced them.

The Chilean government is about to introduce social pensions, termed 'basic solidarity pensions' (Gobierno de Chile, 2006). Currently, some 60% of the elderly population receive a very low pension or depend on social assistance (Arenas de Mesa and Mesa-Lago, 2006; Riesco, 2004). Its introduction is an acknowledgement that, after 25 years, the system of funded pensions has failed to address the pension needs of the majority of Chilean citizens.[26]

The costs for setting up a social pensions system has to be compared with the costs of other social policies such as support for primary education or basic health care. Some studies have suggested that social pensions have contributed to improving women's health, fighting rural poverty, heightening the status of older people in the family and increasing school enrolment (Johnson and Williamson, 2006). However, social pensions also have disadvantages. In the Nigerian case, it is not merely that they might weaken traditional systems of informal family care for the elderly (Johnson and Williamson, 2006). A social pension would still be reliant upon the same revenue base as the old, unfunded, pension scheme. It would be an *alternative* way of distributing government revenue, channelling it away from elites to broader swathes of the population, but the instability of the revenue source, and thus the likelihood of payments falling into arrears, would remain. Moreover, effective delivery mechanisms would have to be in place. Determining eligibility for a social pension has to be done on a decentralized basis, placing considerable powers in the hands of local administrative structures – informal ones as much as formal ones. The administrative capacity of state and local governments in Nigeria has been frequently questioned. A recent survey of state governments by the National Planning Agency found that, on a series of performance benchmarks covering areas such as fiscal management, service delivery and transparency, only 13 out of 36 states scored a minimum 25% (White, 2006).[27]

Nonetheless, a social pension system might be well-suited to address the 'catch-22' of a country such as Nigeria that needs to maintain a strong federal centre based on centralized resource endowment but that lacks legitimacy. Social pensions would distribute some of the oil wealth in an equal manner between richer and poorer states. The federal government could gain additional legitimacy through a social pension system.

To sum up, Nigeria might have tried learning from Chile, but it learned from the wrong book. Moreover, not only was that book wrong, it was also becoming outdated. Tackling the problem of social security in old age demands a different approach. Nigeria could learn useful lessons from abroad, but it should learn the latest, not the dated, lessons from Chile.

ACKNOWLEDGEMENTS

Paper presented at the 5th International Social Security Association Research Conference on Social Security, Warsaw, 5–7 March 2007; and the 57th Political Studies Association Annual Conference, Bath, 11–13 April 2007. Thanks are due too Carmelo Mesa-Lago and other participants at these events for helpful comments. Any views expressed and errors made however, are the responsibility of the author.

NOTES

1. Proximity, similarity and status are often suggested as potential sources of encouragement and facilitators of policy transfer (Weyland, 2004: Chapter 1).
2. At best the attitude of the Bank could be summed up in a comment it made in its assessment of the history of pension reform in Latin America in the 20 and more years since 1981, namely that the various 'shortcomings [that were experienced], if not a failure of the reform *model*, are indeed failings of the *actual* reforms undertaken' (Gill et al., 2005: 5).
3. The Managing Director of the IMF spoke of *Vision 2010* at a conference, 'Nigeria: The Way Forward', in spring 1999, while the government outlined it in its Letter of Intent to the Fund of mid-2000, wherein it described the policies it intended to implement in the context of its request for financial support (see IMF, 1999, 2000).
4. In explaining how the reform nevertheless went ahead, the Bank referred to 'inconsistency in [its] pension assistance [that] can also be attributed to the lack of specific guidelines on how and when to support pension reform'. It went on to suggest that 'turnover in Regional Bank leadership can exacerbate inconsistency and lack of continuity, especially as Country Assistance Strategy priorities change. Further, when conflicts arise between the sector and country units, there is no agreed-upon method of resolution'. Here, Nigeria is cited as a case in point (World Bank, 2005: 50).
5. These were workers within three years of retirement age and people who had already retired.
6. Based on the authors' calculations using the consolidated accounts of the federal government produced by the IMF and data from the NSITF.
7. This can be calculated using data available from the NSITF website, see http://www.nsitf.com
8. By 2004, that fund was worth rather under 0.5% of GDP.
9. A further business interest group, the Nigerian Insurers Association, made representations to the committee, insisting that any legislation should include explicit reference to life insurers as potential providers of pensions. This demand was met by including into the law a provision allowing insurance companies to 'split' their licenses and to operate in the pension sector as long as they form separate business entities for this purpose (Alabadan, 2006).
10. There is also a representative of the Nigerian Union of Pensioners. The remaining nine ordinary members of the board members represent federal government interests, the Central Bank of Nigeria and the Securities and Exchange Commission.
11. Personal communication from PenCom.
12. In Chile, the reform meant that there were no employer contributions at all, while employees faced a substantial increase in contribution rates. This was supposed to be compensated for by a one-off pay increase, mandated by government. At a time of high inflation, how real the compensation was is questionable (Gruber, 1997).

13. If called upon, these policies pay out a lump-sum payment equal to three years' earnings.
14. It is unclear whether the minimum pension referred to is one for the individual or whether all potential minimum pensions are meant.
15. With respect to pension rights accrued in an occupational scheme, these are to be transferred to the PFA of the member's choice unless the occupational scheme has been able to transfer itself into a closed PFA.
16. In Chile, the custodian role was initially performed by the central bank and only subsequently by private companies (Queisser, 1998). In Nigeria, banks and insurers were given the opportunity from the start to set up companies that could serve as PFCs.
17. In Chile, the only example of social partnership involvement in the PFAs to be found was with respect to two of the original 12 PFAs that were managed by 'unions' and professional associations (Mesa-Lago, 1994: 129).
18. Federal government bonds were the mainstay of NSITF investments in the past. Such bonds were attractive in the sense that the nominal yield on them was high – higher than those available from other recognized investment products. However, if government bond yields remain high, it means that the government has failed to meet its objective of monetary and fiscal stabilization, while if the government does meet this objective, yields will have to fall.
19. This assumes an inflation rate of 5%, a nominal bond yield of 10.5%, a nominal equity yield of 12.5% and a portfolio of 35% equities and 65% bonds.
20. The federal government also appeared to give an advantage to certain of the new PFAs when the Ministry of Information and National Orientation issued a circular listing seven PFAs by name through which the civil servants could open their accounts – this at a time when 13 had been approved (ThisDay, 3 February 2006).
21. The federal states and local government authorities will incur their own transition costs when they, too, reform their pension systems.
22. For the World Bank, this was a secondary objective; the primary objective was consumption smoothing and the reduction of poverty (World Bank, 2005: 5). The Nigerian government's *Vision 2010* report, by contrast, stated (Pension Subcommittee, 1997: 16): 'There are two important roles pension schemes play in a modern economy. These are: (a) At micro level, it is a tool for human resource management; (b) At macro level, it is an important device for mobilizing long-term savings for the nation's economic growth.'
23. Personal communication from PenCom.
24. The company, Transcorp, was supposed to act as a sort of South Korean *chaebol*, pursing a leading role in the privatization of Nigerian enterprises. Its business focus included national telecommunications, the oil and gas sector and 'virtually every major area of the economy' (TMCnet, 2005).
25. For the legal right of the President to appoint and dismiss regulators, compare the relevant legal documents regulating the appointment and dismissal of PenCom, SEC and EFCC personnel (see http://www.nigeria-law.org; for the work of the EFCC, see http://www.efccnigeria.org/index.php).
26. The reform also aims to address issues of gender equality by introducing unisex annuity rates and contribution credits for child bearing. In addition, attempts are made to expand coverage rates of the self-employed and of low-wage workers. For a transitional period, these groups will receive subsidies for contributing to the system.
27. Senior civil servants from Nigeria, in conversation with the authors, expressed a strong preference for a pension system that was governed at the level of the

Federation rather than at the state or local level, since the distribution capacity of the Federation was seen to be higher (personal information, May 2006).

REFERENCES

Abati, R. (2006) 'The Transcorp Story and Poor Fola Adeola', *Guardian Nigeria* (6 July), accessed March 2008, http://www.nigeriavillagesquare.com/articles/reuben-abati/the-transcorp-story-and-poor-fola-a-2.html

Adamu, A. (2005) 'True Federalism in 21st Century Nigeria', Lecture of Governor of Nasarawa State, Lagos, 24 June.

Alabadan, S. (2006) 'Insurers Strategise to Operate as PFAs', *The Daily Independent* (16 August).

Arenas de Mesa, A. and Mesa-Lago, C. (2006) 'The Structural Pension Reform in Chile: Effects, Comparisons with other Latin American Reforms, and Lessons', *Oxford Review of Economic Policy* 22(1): 49–167.

Barkan, J., Gboyega, A. and Stevens, M. (2002) 'Nigeria: State and Local Governance in Nigeria', World Bank, AFTPR, Africa Region, July 23, Report No. 24477-UNI.

Barrientos, A. (1998) *Pension Reform in Latin America*. Aldershot: Ashgate.

Casey, B. (2004) 'Pension Reform in the Baltic States: Convergence with "Europe" or "the World"?', *International Social Security Review* 57(1): 19–45.

Casey, B. (2005) 'Reforming Pensions: The OMC and Mutual Learning in an Enlarged Europe', in E. Palola and A. Savio (eds) *Redefining the Social Dimension in an Enlarged EU*. Helsinki: STAKES and The Ministry of Social Affairs and Health.

Casey, B. and Gold, M. (2005) 'Peer Review of Labour Market Programmes in the European Union: What Can Countries Really Learn from One Another?', *Journal of European Public Policy* 12(1): 23–43.

Dostal, J.M. (2004) 'Campaigning on Expertise: How the OECD Framed EU Welfare and Labour Market Policies – and Why Success Could Trigger Failure', *Journal of European Public Policy* 11(3): 440–60.

Gill, I., Packard, T. and Yermo, J. (2005) *Keeping the Promise of Social Security in Latin America*. Palo Alto, CA: Stanford University Press and World Bank.

Gobierno de Chile (2006) 'Reforma Previsional: Proteccion Para La Vejez En El Nuevo Milenio', accessed 10 January 2007, http://www.gobiernodechile.cl/noticias/detalle.asp?idarticulo=4543

Government of Nigeria (2004) *Meeting Everyone's Needs: National Economic Empowerment and Development Strategy*. Abuja: Nigerian National Planning Commission.

Gruber, J. (1997) 'The Incidence of Payroll Taxation: Evidence from Chile', *Journal of Labor Economics* 15(3): 72–101.

Herskovits, J. (2007) 'Nigeria's Rigged Democracy', *Foreign Affairs* 86(4): 115–30.

Holzmann, R. and Hinz, R. (2005) *Old-Age Income Support in the Twenty-First Century: An International Perspective on Pension Systems and Reform*. Washington, DC: World Bank.

International Labour Organisation (ILO) (2006) 'Nigeria: Report to the Government: Actuarial Assessment of NSITF Accrued Liabilities Under the New Pension Scheme' (Technical Cooperation Reports ILO/TF/Nigeria/R.19).

International Monetary Fund (IMF) (1999) *Supporting Nigeria's Recovery: An IMF Perspective – Address by Michel Camdessus*. Washington, DC: IMF.

International Monetary Fund (IMF) (2000) *Nigeria Letter of Intent and Memorandum on Economic and Financial Policies of the Federal Government for 2000*. Washington, DC: IMF.

International Monetary Fund (IMF) (2005a) 'Pension Reform in Nigeria', in *Nigeria: Selected Issues and Statistical Appendix* (IMF Country Report No. 05/303). Washington, DC: IMF.

International Monetary Fund (IMF) (2005b) 'Addressing the Long Run Shortfalls of the Chilean Pension System', in *Chile: Selected Issues* (IMF Country Report No. 05/316). Washington, DC: IMF.

International Monetary Fund (IMF) (2005c) *Nigeria: 2004 Semi-Annual Staff Report Under Intensified Surveillance* (IMF Country Report No. 05/37). Washington, DC: IMF.

International Monetary Fund (IMF) (2005d) 'Reforms for Private Sector-Led Growth', in *Nigeria: Selected Issues and Statistical Appendix* (IMF Country Report No. 05/303). Washington, DC: IMF.

International Monetary Fund (IMF) (2006) *Nigeria: First Review Under the Policy Support Instrument* (IMF Country Report No. 06/180). Washington, DC: IMF.

Johnson, J. and Williamson, J. (2006) 'Do Universal Non-Contributory Old-Age Pensions Make Sense for Rural Areas in Low-Income Countries?', *International Social Security Review* 59(4): 47–65.

Komolafe, F. (2006) 'States, LGs Adopt New Pension Scheme', *Vanguard* (Lagos) (9 August).

Matijascic, M. and Kay, S. (2006) '*Social Security at the Crossroads: Toward Effective Pension Reform in Latin America*', *International Social Security Review* 59(1): 3–26.

Mesa-Lago, C. (1989) *Ascent to Bankruptcy: Financing Social Security*. Pittsburgh, PA: University of Pittsburgh Press.

Mesa-Lago, C. (1994) *Changing Social Security in Latin America: Toward Alleviating the Social Costs of Economic Reform*. Boulder, CO: Lynne Rienner.

Mesa-Lago, C. (2005) 'Assessing the World Bank Report: *Keeping the Promise*', *International Social Security Review* 58(2–3): 97–117.

Milliman (2002) 'Leaving Service Benefits in Nigeria', *Milliman Global Employee Benefits* (November): 8–10.

Müller, K. (1999) *The Political Economy of Pension Reform in Central-Eastern Europe*. Cheltenham and Northampton, MA: Edward Elgar.

Orenstein, M. (2003) 'Mapping the Diffusion of Pension Innovation', in R. Holzmann, M. Orenstein and M. Rutkowski (eds) *Pension Reform in Europe* (pp. 171–93). Washington, DC: World Bank.

Organisation for Economic Co-operation and Development (OECD) (2006) 'OECD Guidelines on Pension Fund Asset Management', 26 January. Paris: OECD.

Orzag, P. and Stiglitz, J. (2001) 'Rethinking Pension Reform: Ten Myths about Social Security Systems', in R. Holzmann and J. Stiglitz (eds) *New Ideas About Old Age Security*. Washington, DC: World Bank.

Oshinowo, O. (2003) 'How not to Formulate Public Policy', accessed 27 November 2006, http://www.thisdayonline.com

Oshionebe, B. (2004) 'Governance, Transparency and Due Process in Contemporary Nigeria', in M. Obadan, A. Fajingbes, I. Bello-Iman and A. Adubi (eds) *Perspectives on National Economic Management and Administration in Nigeria*. Ibadan: NCEMA.

Palacios, R. and Sluchynsky, O. (2006) 'The Role of Social Pensions', Draft, March. Washington, DC: World Bank.

PenCom (2004) 'The Strategic Implications of the New Pension Reform Act and its Benefits to Stakeholders', accessed 27 November 2006, http://www.pencom.gov.ng/download/speeches/SpeechStrategicImplications.pdf

Pension Reform Act (2004), accessed 30 December 2006, http://www.pencom.gov.ng/download/Nigeria-PensionReformAct2004.pdf

Pension Subcommittee (1997) 'Pension, Savings and Social Security', in *Report of the Vision 2010 Committee*, Vol. 2, Book 3. Government of Nigeria.

Pensions Commission (2005) *A New Pension Settlement for the Twenty-First Century: The Second Report of the Pensions Commission*, accessed 30 December 2006, http://www.pensionscommission.org.uk/publications/2005/annrep/main-report.pdf

Queisser, M. (1998) 'Regulation and Supervision of Pension Funds: Principles and Practices', *International Social Security Review* 51(2): 39–55.

Riesco, M. (2004) *Private Pensions in Chile, a Quarter Century On*. Santiago: Centro de Estudios Nacionales de Desarrollo Alternativo.

SAFP (2003) *The Chilean Pension System*. Santiago: Superintendencia de Administradoras de Fondos de Pensiones.

ThisDay (2006) 'Open Retirement Savings Accounts, FG directs Federal Civil Servants', 3 February, PenCom Website.

TMCnet (2005) 'Fola Adeola Named Transcorp Gmd', (9 December), accessed on 27 November 2006, http://www.tmcnet.com/usubmit/2005/dec/1219185.htm

Weyland, K. (ed.) (2004) *Learning from Foreign Models in Latin American Policy Reform*. Washington, DC: Woodrow Wilson Center Press.

Weyland, K. (2005) 'Theories of Policy Diffusion: Lessons from Latin American Pension Reform', *World Politics* 57(2): 262–95.

White, D. (2006) 'Accountability: So, Where is the Missing $400bn?', *Financial Times* (15 May), http://search.ft.com/ftArticle?queryText=Accountability%3A+So%2C+where+is+the+missing+&y=8&aje=true&x=18&id=060515005870&ct=0

World Bank (2004) *Project Appraisal Document on a Proposed Credit to the Federal Republic of Nigeria for an Economic Reform and Governance Project* (Report No: 30383-NG). Washington, DC: World Bank.

World Bank (2005) *Pension Reform and the Development of Pension Systems: An Evaluation of World Bank Assistance*. Washington, DC: World Bank.

Yermo, J. (2004) *Pension Reform and Capital Market Development: Background Paper for Regional Study on Social Security Reform*. Washington, DC: World Bank.

Zeitlin, J. and Pochet, P. (eds) (2005) *The Open Method of Co-ordination in Action. The European Employment and Social Inclusion Strategies*. Brussels: Peter Lang.

RÉSUMÉ

Réforme de Pension pour le Nigéria: Comment pas 'Apprenez des Autres'

Tandis que la réforme de pension pour le Chili a reçu l'attention considérable, son imitation n'en a pas pour le Nigéria. Cet article est la première analyse approfondie de la réforme nigérienne. Il suggère que les autorités nigériennes n'ont pas appris les leçons du Chili. Ils ont transféré un système qui n'a pas servi au pays dont on l'a copié et c'était inadéquat au pays auquel il a été copié. Pour des pays tels que le Nigéria, il faut prendre les formes d'alternative des dispositions en prévision de la vieillesse. Ils pourraient considérer adopter une pension sociale.

RESUMEN

La Reforma de Pensiones en Nigeria: Como no se Debe 'Aprender de los Otros'

Aunque la reforma de pensiones en Chile ha recibido mucha atención, no se puede decir lo mismo respecto a su emulación en Nigeria. El presente documento es el primer análisis que examina en profundidad la reforma en Nigeria. Indica que las autoridades en Nigeria no han aprendido la lección de lo que pasó en Chile. Transpusieron un sistema que falló de servir al país de donde fue copiado, y que no es apropiado al pais que lo copió. Para los países como Nigeria, hay que buscar formas alternativas de provisión para la vejez. Una pensión social podría ser una posibilidad.

BIOGRAPHICAL NOTES

BERNARD H. CASEY is Principle Research Fellow at the Warwick Institute for Employment Research, University of Warwick. Please address correspondence to Dr Bernard H. Casey, Institute for Employment Research, Social Studies Building, University of Warwick, Coventry CV4 7AL, UK. [email: b.casey@warwick.ac.uk]

JÖRG MICHAEL DOSTAL is Lecturer in European Public Policy at Brunel University, West London. Please address correspondence to Dr Jörg Michael Dostal, Department of Politics and History, Brunel University, Marie Jahoda Building, Uxbridge, Middlesex UB8 3PH, UK. [email: Michael.Dostal@brunel.ac.uk]

Possibilities of Positive Social Action in the Middle East

A Re-Reading of the History of Social Policy in the Region

RANA JAWAD
University of Warwick, UK

JANINE A. CLARK, *Islam, Charity and Activism*. Bloomington: Indiana University Press, 2004. 256 pp. ISBN–13: 978–0–2532–1626–7.

RIADEL EL GHONEMY, *Affluence and Poverty in the Middle East*. London: Routledge, 1998. 324 pp. ISBN–13: 978–0–4151–0033–6.

CLEMENT HENRY AND ROBERT SPRINGBORG, *Globalization and the Politics of Development in the Middle East*. Cambridge: Cambridge University Press, 2001. 280 pp. ISBN–13: 978–0–5216–2312–4.

STEPHEN P. HEYNEMAN (ed.), *Islam and Social Policy*. Nashville, TN: Vanderbilt University Press, 2004. 218 pp. ISBN–13: 978–0–8265–1447–9.

MASSOUD KARSHENAS AND VALENTINE M. MOGHADAM (eds), *Social Policy in the Middle East: Economic, Political and Gender Dynamics*. Basingstoke: Palgrave, 2006. 288 pp. ISBN–13: 978–1–4039–4165–7.

SHAHRA RAZAVI AND SHIREEN HASSIM (eds), *Gender and Social Policy in a Global Context*. Basingstoke: Palgrave, 2006. 355 pp. ISBN–13: 978–1–4039–9630–5.

MAHMOUD SADRI AND AHMED SADRI (eds), *Reason, Freedom and Democracy in Islam, Essential Writings of Abdolkarim Soroush*. Oxford: Oxford University Press, 2000. 256 pp. ISBN–13: 978–0–1951–5820–5.

BEHDAD SOHRAB AND FARHAD NOMANI, *Islam and the Everyday World*. Abingdon: Routledge, 2006. 240 pp. ISBN–13: 978–0–4153–6823–0.

QUINTAN WIKTOROWICZ (ed.), *Islamic Activism: A Social Movement Theory Approach*. Bloomington: Indiana University Press, 2003. 320 pp. ISBN–13: 978–0–2532–1621–2.

Global Social Policy Copyright © 2008 1468-0181 vol. **8**(**2**): 267–280; 090641
SAGE Publications (Los Angeles, London, New Delhi and Singapore)
DOI: 10.1177/1468018108090641 http://gsp.sagepub.com

Introduction

> ... social policy is the academic setting where big processes and powers, grand concepts and theories come together with the constitution and lived experience of personal lives. (Clarke, 2004: 147)

Social policy has a distinctive capacity to offer a new and insightful narrative about the political dynamics of the Middle East, and indeed to highlight the possibilities of positive social action that have so far remained under-represented in the mainstream social policy and development studies literatures. Broadly speaking, social policy is concerned with the protection or promotion of human well-being. But, while there is common consensus both in academia and policy circles that the main goal of social policy are general social welfare, the debate, and indeed, the history of social policy is much more about how social welfare is defined, achieved and measured. This is an important lesson when we consider social policy in the context of the Middle East.

For clarification, the geography of the Middle East in this essay includes countries in the Middle East and North Africa, which according to Henry and Springborg (*Globalization and the Politics of Development in the Middle East*, p. 8) extends 'from Morocco to Turkey along the southern and eastern shores of the Mediterranean and as far east as Iran and south to Sudan, Saudi Arabia and Yemen'. The region has a population of half a billion, which is Muslim in the majority, but as the seat of the world's three largest monotheistic religions, it continues to have substantial Christian and Jewish populations.

The books reviewed here consist more or less of the entire collection of recent English-language book publications dealing with social policy in the Middle East. Though modest in number, they cover a broad range of angles on the subject, which point to the dynamic nature of the actors and issues involved.

This essay takes up the story of social policy in the Middle East where the books reviewed have left off. To this end, it represents a revised history of social policy in the region that will present arguments drawn from a variety of new developments in the social policy literature, namely: cultural studies and the dynamics of the policy process, the resurgence of civil society and the voluntary sector in light of the challenges posed by neoliberalism to participative democracy, new currents of thinking in social care that emphasize informality and personalization, old histories of social welfare based on accounts of religious and voluntary welfare organizations that stress the moral purpose of social policy, new lessons that can be learnt from the great strides in social development achieved by East and South East Asian states as diverse as Singapore, North Korea and the Indian state of Kerala.

Based on this discursive background, the essay will argue that there is still room for manoeuvre in the Middle Eastern context starting from the simple premise that social policy in the region can build upon the positive social

action that already exists there. Linked to this simple premise is a more controversial one: religious welfare organizations, particularly Islamic ones (because they are the most widespread and active in the region), are doing important social welfare work in the region. It should be noted that while not all of these organizations are political in the work they do, many are acting as a political voice not only for disenfranchized populations but also for the middle classes.

It is apt to make clear from the start that discussion of religious welfare in this essay is driven neither by ideology nor by nostalgia for a pre-colonial past. Rather, it is based on an earnest enquiry into the realities of social action in the Middle East. Indeed, there is a well-established vein of argument in the development studies literature that advocates local solutions to local problems (Hall and Midgley, 2004) and it is this principle that informs part of the rationale here.

This essay will be made up of two argumentatively opposing sections. The first will highlight the key insights about Middle Eastern social policy that the books reviewed offer. The second section will supplement and in some senses challenge section one by offering a revised reading of both the theoretical conception of social policy that emerges from the books and the analytical approach that is used in them to discuss social policy in the region.

Key Insights From the Review Books: The Political Economy of Social Policy and the Failure of Middle Eastern Welfare States

The books reviewed here offer a broad perspective on the history, and present dynamics of Middle Eastern social policy. They encompass: the political economy of social policy in country case studies (*Social Policy in the Middle East*; *Globalization and the Politics of Development in the Middle East*); theological and philosophical discussion of human well-being in Islam (*Reason, Freedom and Democracy in Islam, Essential Writings of Abdolkarim Soroush*; *Islam and Social Policy*); the politics and history of wealth inequalities in the region (El-Ghonemy, 1998; *Globalization and the Politics of Development in the Middle East*); Islamic political movements which provide social welfare services (Clarke, 2004; *Islamic Activism*); the application of Islamic principles to some policy sectors, including health, finance and human rights (*Islam and the Everyday World*; *Islam and Social Policy*): and finally, the gender dimension of social policy in the region (*Social Policy in the Middle East*; and chapter on Iran by V. Moghadam in *Gender and Social Policy in a Global Context*).

The main general comment about the books to mention here is that they primarily describe policies that have failed or which have been successful. Analytically, some of them offer suggestions about what the way forward might be for social policy in the region, but none of them offers a comprehensive analysis of the interaction between the different social forces shap-

ing social policy in the region (state, market, voluntary or informal sector – including the family) or a systematic study of the basis of possible future social action.

This section briefly highlights the main themes that emerge from each of these texts. Based on this, it will offer an assessment of the gaps that remain in the discussion of social policy in the region, and what may be a fruitful way forward for the development of social policy as a subject of research and practical application.

INTERNATIONAL INTERVENTION

Social policy in the Middle East has been most influenced by international intervention, for example, opening up to the European-dominated economy since the 17th century through colonization and mandate rule, which set particular political and economic structures in motion; and since the 1980s, economic reform under the pressure of globalization and structural adjustment programmes led mainly by international development agencies such as the International Monetary Fund (IMF) and World Bank. In all these instances, the groups that have taken control for state social policy have been mainly local elites made up of tribal, religious or ethnic leaders and wealthy merchants whose privileged status during mandate rule and afterwards marginalized the interest of a primarily rural agricultural population. The increasing market-orientation of Middle Eastern economies and the privatization programmes they underwent under the present influence of globalization and international development actors has further retrenched the role of the state as principle provider of social services and employer in the public sector.

A 'STATIST' POLITICAL-ECONOMIC APPROACH TO SOCIAL POLICY

Social policy is primarily a job for the state. Moghadam and Karshenas et al. (*Social Policy in the Middle East*), El-Ghonemy (1998), Henry and Springborg (2003) and Clark (*Islam, Charity and Activism*) all describe how the states in Middle Eastern countries have failed or are failing to develop effective democratic institutions that can ensure representative government and political participation for all citizens. Whether over-sized and coercive (such as Egypt and Saudi Arabia) or weak and dysfunctional (such as Sudan and Lebanon), states are rife with corruption and the embezzlement of public funds. State social provisioning is especially hard hit because of several factors such as: (1) the misallocation of resources and the prioritization of military spending over key social sectors such as health and education; (2) the narrow economic focus of public policy, which hinges social progress on economic prosperity; (3) the dominance of minority factions in Middle Eastern countries dating back to the colonial era; (4) political insecurity and military conflict, with the protraction of the Arab–Israeli conflict; (5) high levels of state indebtedness, which have taken away funds from social welfare services; (6) the introduction of structural adjustment programmes and the increasing privatization programmes, which have reduced the role of the state further as provider of social services and public sector jobs.

The resulting social ills of unemployment, wealth polarization, and even undernourishment need to be addressed through the reform of public policy and state legislation, in the areas of labour laws for example.

CLASSIFICATION OF SOCIAL POLICY: RENTIER, RESIDUAL, NEO-PATRIMONIAL

State social policy is residual in character and is primarily focused on the provision of social safety nets and the reintegration of marginalized groups into society. The most comprehensive employment-based insurance goes to urban public sector workers, particularly those who are unionized, with the best protection going to the army and security forces. At the heart of this residual social policy are key conceptual blockages, namely the overly economic focus of public policy and a corresponding lack of importance accorded to the social. A significant example of this residual or piecemeal approach to social policy is highlighted by the Egypt case study in Karshenas and Moghadam (*Gender and Social Policy in a Global Context*) where since the 1990s, the state has not been able to cut back on key consumer subsidies, as it has wished, due to the outbreak of violent public protest.

Related to this is the characterization of Middle Eastern states as 'Rentier' meaning that their primary source of revenue is from natural resources such as oil and natural gas. This is particularly the case for the oil-rich countries in the Gulf, as well as Iran, Iraq and Algeria. The over-reliance on oil revenues has meant that some states were able to provide social welfare and social insurance services to citizens during the oil boom era of the 1960s–1980s without having to tax citizens on the basis of their civic membership of the nation. The easy access to capital and the sudden overnight affluence brought about by the oil windfall in the region is depicted as a curse by El-Ghonemy (1998) since it has directly undermined the structures of social citizenship and the need to develop the productive capacity of the local population, due to the over-reliance on foreign labour.

The third classification is of social policy as neo-patrimonial due to the persistence of gender discrimination. Islamic family planning laws, female illiteracy and labour legislation impede women from free participation in the labour market and from equal political rights to men. The persistence of the family as a key social unit in society and the main locus of social care also impinges upon gender equality.

THE POLITICIZATION OF SOCIAL POLICY: CLIENTELISM AND POLITICAL LEGITIMIZATION OF RULING ELITES

Another major factor hampering social policy is the politicization of welfare and the instrumental use of social policy by the state to gain power and political legitimacy. Some authors argue that this is a historical factor as well, for example the introduction of social benefits to workers and employment guarantees to university graduates in Iran and Egypt in the 1950s/1960s were

motivated by the need to win the support of the working classes in the post-colonial states, and were not based on a civic discourse of social citizenship. Today, social benefits are channelled though clientelist networks, which link ruling governments to their supporters. Thus, social policy today in the Middle East lacks a sense of its own legitimacy.

SOCIAL POLICY AS WEALTH REDISTRIBUTION AND THE PROVISION OF BASIC NEEDS

The major challenges that the authors describe for social welfare provisioning are less about the long-term structures of democratic participation and a share in decision-making by society, and more about the urgent measures of wealth redistribution, income transfers, provision of basic needs and ensuring the basic support systems of survival. When measures of human well-being are discussed in some of the books, it is in the developmental/survival terms of child morality, female literacy, sanitation and housing. At the heart of social policy, then, are key challenges of basic economic and social development. This gives the desired purpose and definition of social policy by the authors a particular focus on economic productivity, inherent in female labour participation, creating more employment opportunities, reducing indebtedness, reforming property rights and the Islamic laws that dominate inheritance and family planning.

This is not to say that social policies in the past did not bring about improvements in society in the Middle East. The authors argue that the immediate post-independence era in the 1940s and subsequently the oil-boom era, which lasted until the 1980s, saw rapid social transformation of the region with enormous improvements in education and health, as well as rapid urban transformation. But these gains were rapidly lost, as states became more authoritarian in character and failed to develop adequate economic policies.

BREAKDOWN OF STATE/SOCIETY RELATIONS

State and society in the Middle East are 'detached' from each other, indeed, relations between the two reach competition or violent hostility. The sense of social unrest is exacerbated further by the common notion within society that the state should take more responsibility for the welfare of citizens and that the latter have the rights and entitlement over the state to be provided with social services. A main area of contention is basic consumer subsidies, particularly food, where the local population has mounted riots to protest against their withdrawal, for example in Egypt.

Competition between state and societal groups over the public sphere is most acutely expressed in the rise of Islamic groups in the Middle East, with are providing vital public and social services, and thus challenging the state not only as a provider of welfare but as a modern secular institution of government. Some of these groups are well-known political groups such as the Muslim Brotherhood (Egypt) and Hamas (Palestinian Territories) but others are more local and less political, such as the Islah Charitable Society in Yemen or the Mustafa Mahmood Health Clinic in Egypt (*Islam, Charity and Activism*).

Otherwise, the general impression arising from the books is that poor populations have not organized politically around the issues that affect them. Save for a few examples, such as the establishment of rotating funds among poor populations in Egypt, the poor just get on with trying to survive by finding ways, quite often illegal, to access vital public services. The only successful mobilizing force for the poor (and disgruntled middle classes) appears to be Islam.

ISLAM AND SOCIAL POLICY

All the authors recognize the influence of Islam on social policy. Islam (like Judaism and Christianity) is described as an important cultural influence on inheritance laws as well as family planning. In this sense, Islam is considered to perpetuate wealth and gender inequalities, although the authors differ in that some argue that women do have rights to property and to work or do have a say in family planning.

Islam is also discussed in terms of its welfare institutions such as *waqf* (religious endowments) and *zakat* (an obligatory 2.5% tax levied on assets). These are also considered at a practical level in the countries that apply them. In all cases, the authors acknowledge that *zakat* had acted as a hugely important source of poverty-alleviation for the poor and that *waqf* played a key role in the socio-economic development of the Middle East in the last few centuries prior to colonization. Some authors examine the application of Islamic principles in particular public policy areas such as health, finance and economy and human rights legislation. Here, it is argued that Islamic economics remains underdeveloped but in the health sector for example, some countries such as Iran have been able to make substantial improvements to primary care thanks to the influence of Islamic principles in Iran after the revolution.

Islamic values are also important as an activating force for social groups and movements in society to engage in public and social service provisioning – as mentioned above. In Egypt, Yemen and Jordan for example, Islamic movements or Islamic charity organizations use social welfare to challenge the basis of the secular modern state, and/or to protect the political status of the professional classes through the provision of employment opportunities and social networks. In the case of political Islamic groups, contributions in the book edited by Wiktorowicz (*Islamic Activism*) depict organizations such as Hamas in Palestine as social movements that have developed locally and are now supported by a comprehensive institutional basis of which the provision of social welfare and public services is a vital component. In these cases, Islam is depicted as the only remaining platform for political contestation and struggle for social justice in the Middle East.

SYNTHESIS: THE WELFARE STATE AS A PARTICULAR CULTURAL SETTLEMENT?

The earlier discussion suggests that where social policy and the Middle Eastern state are discussed, the books reviewed confirm an account that we might perhaps have expected of the region. In the book by Karshenas and

Moghadam, the main recommendation put forward is for the state to develop democratic, developmental and socially inclusive policies. El-Ghonemy (1998) also emphasizes the resolution of political and armed conflicts in the region. There is a strong plea for Middle Eastern states to acknowledge the centrality of social analysis in public policy and for the need to devise a new social vision for their societies. But the authors do not explain where we are to start. Instead, they end with an offer of the conventional wisdom of socially inclusive democracy and development.

The author of the Egypt case study in *Social Policy in the Middle East* argues that it was the particular combination of conditions present in Western Europe (inherited socialist values, liberal democratic structures, capitalist accumulation) that made possible the social settlement between labour and the state. This is the ideal of social democracy.

But I argue here what does this say about the possibilities of social action in other contexts? Is there an implicit suggestion that there is an inherently cultural quality to the welfare state or to social policy solutions more broadly? Surely, these questions would undermine the prescribed conventional wisdom of socially inclusive democracy plus development equals social policy?

Societal Action and the Ethics of Welfare: Re-reading the History of Social Policy in the Middle East

This essay will now take an argumentative turn in order to supplement, and in some cases challenge the account of social policy in the Middle East that we find in the books reviewed. To this end, this section will explore the implications of four key themes.

First, I consider a more populist version of social welfare, inspired by the development studies literature and historical accounts of citizenship in the region; second, I address the limits of political economy and the potential of culture for analysing social policy; third, I consider the new trend in the literature on the voluntary sector and civil society that is gaining ground in Western Europe as a way to revive participative democracy; finally, I conclude with the question of religious welfare and faith-based organizations that have re-emerged with force in American and British social policy. This leads to my final redefinition of social policy as a fundamentally ethical endeavour centred upon what it means to be human.

POPULIST/SOCIAL MOVEMENTS AS ONE POSSIBILITY OF POSITIVE SOCIAL ACTION

In the Western social policy literature, populism has acquired a bad reputation for its association with conservatism and traditionalism, which can incite exclusionary or anti-immigrant sentiment (Hall and Midgely, 2004). However, populism may help us better understand the dynamic of social

policy in the Middle East, not just during and after the colonial era but also with respect to the current involvement of Islamic social movements in social welfare in the region. Indeed, Hall and Midgely (2004) argue that populist approaches to social change have had a long history and a substantial record of achievements in the developing countries of the South. The works of Paolo Freire in Brazil, popular social movements in India and Latin America, and the expansion of social services in Argentina under President Juan Peron in the1960s were all inspired by forms of populism that had the strength to attract the 'people' around a sense of common identity (Hall and Midgely, 2004). Indeed, recent recognition of the success of social policy in the 'tiger' economies of East Asia acknowledges the influence of traditional Confucian values and the objectives of nation-building and political legitimization that have underpinned them (Walker and Wong, 2005).

The discussion of populism here is not based on nostalgia for an Islamic society or on a romantic vision of local people. Rather, it is based on the simple premise of what is happening on the ground to people's ordinary lives in the Middle East and where effective social action is taking place.

Taking a historical look, Thompson (2001) documents how during mandate rule in Lebanon and Syria, populist movements flourished particularly in 1942–3. Along with the women's movement, which was very active at the time, and the communist movement, populist movements played an active role in challenging the authorities of the mandate, and in defining the terms of their subsequent citizenship by demanding the establishment of key political and social rights. Thompson (2001) denotes these movements as 'subaltern' because they were in conflict with the colonial rulers and the local elites whose alliances with colonial rulers protected their privilege and powers. It was through the combined efforts of these movements that the semblance of a welfare state based on citizenship rights was established in Lebanon and Syria in the post-independence era.

In the contemporary context, Jaber (1997), Shadid (2001) and Wiktorowicz (*Islamic Activism*) argue that Islamic groups such as Hamas in the Palestinian Territories, the Virtue Party in Turkey (previously Refah), the Muslim Brotherhood in Egypt and Hizbullah in Lebanon have taken their social welfare role very seriously and are offering a real social agenda for large populations in their countries, many of whom come from the poor segments of society. While some of these organizations appear notorious, they pose serious questions about the future of social policy in the region and more significantly, the enduring role of religious welfare organizations, with Islamic organizations at their helm.

To this extent, Shadid (2001) argues that such organizations have a real sense of social obligation and are not driven primarily by political motives of self-interest. They see their social welfare work as an expression of their solidarity with deprived members of their population. To this end, Shadid (2001) advocates formal political support of these organizations, based on a culturally-sensitive analysis that places Islam at the heart of social policy in the region.

CULTURE AND SOCIAL POLICY

Clarke (2004) makes an insightful argument about the connection between culture and social policy: the understanding of what is happening to the welfare state has to start with how we think about it. According to Clarke (2004), culture means the 'politics of articulation', or put in a simpler way, it is the study of how social actors interact and enter into conflict with each other in order to define or indeed control the environment they live in. This can bring important insights to how social policy works, particularly as policy making itself is a complex process and has as much to do with the actors involved in making the decisions as with its actual content (Hudson, 2007). In this sense, Clarke (2004: 154) describes the welfare state as a combination of 'institutionalised formations (apparatuses, policies, practices) and political-cultural imaginaries (symbolizing unities, solidarities and exclusions)'.

Based on this analysis, Clarke (2004) arrives at the conclusion that in Britain, for example, what we are witnessing in fact is not the end of welfare but simply a process of destabilization and change whereby a new national welfare settlement will eventually emerge. For, from a cultural perspective, at the heart of the conflict over welfare and its meaning is the definition of nationhood and the construction of the 'people' in a nation as citizens.

Thus, while the political-economic analysis of social policy in the Middle East that is presented in the review books can help us understand how states have succeeded or failed to redistribute wealth in their countries, it misses the way in which the social order was itself negotiated and how states were also exercising influence on the national formations and symbols of identity among their populations. Indeed, a cultural analysis would suggest that political conflict over welfare and its association to nation-building in the Middle East is part and parcel of the nature of social policy, since a social settlement is a particular negotiation arrived at by various conflicting groups.

To this end, Thompson's (2001) study of Lebanon and Syria in the 1940s is instructive as she argues that the movements struggling for state recognition and welfare services (women's, communist and populist/religious movements) did so by using the same terms of reference of the colonial ruler against whom they were struggling.

To summarize, then, what does this mean for our reading of social policy in the Middle East? The history of the welfare state cannot be understood in a linear form that imposes a rational and objectivist approach to the study of social policy. Instead, as Clarke argues (2004: 5), our reading of history needs to be 'conjunctural', in that it should be sensitive to the variety of forces that come into play in order to produce a particular event or definition of a concept. For our present purpose, this would mean supplementing the historical account of social policy from the point of view of the state, which is portrayed in the books reviewed through an analysis of the multiplicity of social actors and the polysemy of the concept of welfare itself. This is based on recognizing social policy as a discourse and as an anthropological phenomenon.

The gender dimension of this kind of analysis has been well demonstrated by Thompson's (2001) historical analysis of the social movements that flourished in the 1940s in Lebanon and Syria. Thompson (2001) argues that the civic order that was established was not equitable in part because of the threat to paternal privilege that was perceived at the time which women eventually gave in to, thereby giving more weight to the pull between social/political rights for colonized people and the paternal/class privilege of the ruling elites. This shaped the final course of citizenship. This confirms Clarke's (2004) argument that social categories such as race, gender and class are not mutually exclusive but intermingle and constitute each other to form a larger formation of the nation.

Society in the Middle East, then, may not be as passive as our authors depict. For the significance of the politics of articulation suggests that power struggles do not end in subjection and dominance but in accommodation and negotiation. This offers the possibility of finding new solutions to the status quo.

THE VOLUNTARY SECTOR AND THE SEARCH FOR A NEW WELFARE ETHIC

There is a new generation of thinking in the social policy literature which is actively addressing the challenge of exploring how social policy and human well-being might look like beyond the strict borders of the welfare state – at least in the western context. This literature comes under many names: the mixed economy of welfare or welfare pluralism (Powell, M., 2007), the voluntary sector (Milligan and Conradson, 2006), the third sector or third way (Powell, M., 2007), civil society (Powell, M., 2007), social capital (Milligan and Conradson, 2006). Recalling Gøsta Esping-Andersen's statement that social policy, welfare states and welfare regimes are not the same, M. Powell (2007: 6) notes: 'social policy can exist without welfare states … social policy predates welfare states'.

The key argument here is that the state, market and voluntary/informal sector have always combined in different ways to deliver, finance and devise social services (Powell, M., 2007). Thus, it is not so much the role of non-state actors that has increased in the western context but their visibility to social policy thinkers and makers in recent times. This visibility has been brought about by the changing fortunes of the 'classic welfare state', which has come under fiscal and political pressure from the advancement of the neoliberal agenda and the subsequent demise of the traditional nation-state, inherent in the need to accommodate the rise of new interest groups.

Discussion of the apparent virtues of the voluntary sector has been split between the left and right. Conservatives, who discourage state involvement in social welfare anyway on both moral and fiscal grounds favour the reinstitution of old mutuals that were destroyed by the welfare state (Powell, M., 2007). On the left, the concern is more about preserving the quality of participative democracy and social citizenship in light of the argument that only the state

can guarantee equality. This has served to focus attention on the meaning of 'the social' in order to maintain the basic principles of social welfare. It is noteworthy, that Karshenas and Moghadam (*Social Policy in the Middle East*) argue for the need to make social analysis more central in public policy and to not just focus on political economy, yet no clear definition of the social is presented. Clarke (2004) and F. Powell (2007) also discuss the meaning of the social in a challenging way that can shed light on the situation of the Middle East.

Clarke (2004) argues that while the social continues to be the site of contestation between various actors in society over social inequalities, it has now acquired a new dynamic thanks to the neoliberal agenda. In this sense, the 'social' has become depoliticized and largely driven by economic concerns, as inherent in New Labour's welfare to work ethos. On the other hand, F. Powell (2007) argues that the inability of the welfare state to accommodate new welfare constituencies has made the notion of the social defunct and what matters more is 'active' citizenship as opposed to social citizenship.

These concerns reflect a deep debate in the western social policy context about the nature of participative democracy and an apparent crisis of associational culture brought on by the individualism of neoliberalism. F. Powell (2007) argues for the development of civic virtue through the flourishing of civil society institutions. This also echoes New Labour's concern to deal with welfare reform and to develop social capital (Powell, F., 2007). With reference to faith-based organizations, F. Powell (2007) cites Habermas who argues that democracy does not have inherent within it all the ingredients to allow its effective functioning and that Europe needs to reconcile with its religious heritage.

Added to this is an increasing concern with human dignity in social welfare (Chan and Bowpitt, 2005), and mounting questions about the impact of professionalization and institutionalization on social care (Banks, 2004).

THE QUESTION OF RELIGIOUS WELFARE AND THE MORAL NATURE OF SOCIAL POLICY

I would argue, then, that there appears to be a crisis in the ethic of welfare in western social policy, which is characterized by a search for the underlying moral values that can support social solidarity. Debates about the crisis of democracy in the face of neoliberalism, the rise of the voluntary sector and the concern to find a new moral glue for postmodern society suggest that the capacities of the local social movements in the Middle East that are offering social services need to be supported. Indeed, at the heart of social policy is a concern with the moral content of social life.

This concern is highlighted by the debate on the ethics of care in the western theoretical literature (Banks, 2004). The welfare ethics of religious organizations in the Middle East are fundamentally based on caring, which are built on relationships of personal trust. Banks (2004) argues that these qualities are being undermined in the modern context of social care in the UK.

Religious identity, whether Muslim, Christian or Jewish, is an intrinsic part of the history and identity of the Middle East's populations. The civilizational

and developmental legacy of religion on these societies is long and well established. It is also attested to by some of our review authors (such as El-Ghonemy, 1998; Heyneman, 2004). Both these authors, as well as Clark (*Islam, Charity and Activism*) and Thompson (2001) cite, for example, the role of the Islamic welfare institution of *waqf* (religious endowments) in promoting the social, political and economic development of the region especially during the Ottoman empire.

Thus, there is a rational basis and indeed an urgent need to pose seriously the question of religious welfare in social policy in the Middle East. It is in recognition of this that the classification of social policy as residual or 'Rentier' in the Middle East loses ground. But religious welfare is not only relevant to the Middle East. Much of the anxiety in western social policy also rests in the problematic resurgence of faith-based welfare in the USA and the UK. One of the more controversial developments in this regard is the establishment in 2000 of the Office of Faith-Based Services in the USA (Milligan and Conradson, 2006).

Conclusion

This essay has sought to challenge the mainstream thinking about social policy in the Middle East. The analysis presented in the books reviewed centres social policy on the role of the state and its capacity to redistribute wealth and develop the economic capacities of both men and women. But this is a partial analysis of social policy in the region, and it is one that narrows the room for manoeuvre for future social action. I have argued that by changing how we think about the policy process and the nature of social policy, it may still be possible to find new ways of understanding existing problems in the Middle East and therefore, of finding new solutions.

Culture and political economy complement each other to offer a more holistic understanding of human well-being. The new developments in the Western social policy literature about the role of the voluntary sector, the limits to participative democracy, and the need to develop more personalized and ethical understandings of social welfare all highlight the possibilities of positive social action within the voluntary sector in the Middle East. After all, religious and secular understandings of social justice share a common heritage in this region.

Based on the simple precept that religious welfare organizations in the Middle East are acting out of social solidarity to solve social problems, allowing them formal recognition into the social policy apparatus may form a step in the right direction.

REFERENCES

Banks, S. (2004) *Ethics, Accountability and the Social Professions.* Basingstoke: Palgrave Macmillan.

Chan C.K. and Bowpitt, G. (2005) *Human Dignity and Welfare Systems*. Bristol: Policy Press.

Clarke, J. (2004) *Changing Welfare, Changing State: New Directions in Social Policy*. London: Sage.

Hall, A. and Midgley, J. (2004) *Social Policy for Development*. London: Sage.

Hudson, J. (2007) 'Learning Lessons from Policy Experience', in H. Bochel and S. Duncan (eds) *Making Policy in Theory and Practice* (pp. 191–210). Bristol: The Policy Press.

Jaber, H. (1997) *Hizbolla: Born With a Vengeance*. New York: Columbia University Press.

Milligan, C. and Conradson, D. (2006) 'Contemporary Landscapes of Welfare: The "Voluntary Turn"?', in C. Milligan and D. Conradson (eds) *Landscapes of Voluntarism, New Spaces of Health, Welfare and Governance* (pp. 1–14). Bristol: Policy Press.

Powell, F. (2007) *The Politics of Civil Society*. Bristol: Policy Press.

Powell, M. (2007) 'The Mixed Economy of Welfare and the Social Division of Welfare', in M. Powell (ed.) *Understanding the Welfare Economy of Welfare* (pp. 1–22). Bristol: Policy Press.

Shadid, A. (2001) *Legacy of the Prophet: Despots, Democrats and the New Politics of Islam*. Boulder, CO: Westview Press.

Thompson, E. (2001) *Colonial Citizens: Republican Rights, Paternal Privilege, and Gender in French Syria and Lebanon*. New York: Columbia University Press.

Walker, A. and Wong, C. (2005) *East Asian Welfare Regimes in Transition, From Confucianism to Globalisation*. Bristol: Policy Press.

BIOGRAPHICAL NOTE

RANA JAWAD IS ESRC Post-Doctoral Fellow with the Centre for Research in Ethnic Relations, School of Health and Social Studies at the University of Warwick. Please address correspondence to Rana Jawad, Centre for Research in Ethnic Relations, University of Warwick, Coventry CV4 7AL, UK. [email: R.Jawad@warwick.ac.uk]

GSP Digest

The GSP Digest is produced by the Globalism and Social Policy Programme (GASPP) in collaboration with the International Council for Social Welfare (ICSW). It has been compiled by Bob Deacon, Meri Koivusalo, Alexandra Kaasch, Mike Chai, and Anja Jakobi; and has been funded by GASPP, the ICSW from SIDA and Ministry of Foreign Affairs of Finland resources, and the University of Bremen Center for Social Policy from Hans Böckler Foundation resources. A longer pre-publication version of this Digest with direct links to all websites is available on http://www.gaspp.org and http://www.icsw.org. All the websites referenced were accessible in April 2008. This edition of the Digest covers the period mid-December 2007 to mid-April 2008.

Global Social Policies: Redistribution, Regulation, and Rights

REDISTRIBUTION

The President of the UN General Assembly (GA) published a programme of work for the preparation of the Doha Finance for Development Conference (http://www.un.org/esa/ffd/). More background material by CSOs on 'the road to Doha' is available at http://www.globalpolicy.org/socecon/ffd/conference/doha/2008/022008road.pdf; and a more substantial scholarly treatment of the subject is in the World Institute for Development and Economics Research's (WIDER) *Development Finance in the Global Economy* (http://www.wider.unu.edu/publications/books-and-journals/2008/en_GB/dev-fin-in-global-economy/).

Many civil society actors in the Global South are articulating a more radical agenda within this context arguing for restitution for past imperial wrongs and rejecting aid and aid dependency in favour of self-sufficient Southern regional industrial development (e.g. http://www.pambazuka.org/en/category/comment/45988). A recent conference on *World Inequality* (http://www.egmontinstitute.be/eventspast.html) revealed the very different political positions of Northern and Southern global reformers on Aid. In this

Global Social Policy Copyright © 2008 1468-0181 vol. 8(2): 281–295; 086093
SAGE Publications (Los Angeles, London, New Delhi and Singapore)
DOI: 10.1177/1468018106086093 http://gsp.sagepub.com

context of importance are the Organisation for Economic Co-operation and Development (OECD) Development Centre's Policy Insights No. 57, 58 and 59 (http://www.oecd.org/dev/insights); as well as Kemal Dervis' statement on South–South cooperation (http://content.undp.org/go/newsroom/2007/december/dervis-united-nations-day-south-south-20071219.en), and that of the United Nations Conference on Trade and Development's (UNCTAD) Secretary-General (http://www.unctad.org/Templates/Page.asp?intItemID=4501&lang=1).

While these preparations are on their way, total Official Development Assistance (ODA) further fell in 2007 by 8.4%. However, aid to sub-Saharan Africa rose by 10%. (http://www.oecd.org/document/8/0,3343,en_2649_201185_40381960_1_1_1_1,00.html). In contrast to the downturn in ODA and the aid shortfall for the International Development Association (IDA) reported in Digest 8.1, donor contributions to the World Bank have now reached a record amount as an outcome of the *Fifth IDA15 Replenishment Meeting* in Berlin (13–14 December 2007) (http://go.worldbank.org/U94WRYNMQ0). Many CSOs are not satisfied that enough has been done by donor governments to change Bank policy on conditionality before replenishing funds – only Norway holds back some funds pending resolution of this issue (http://brettonwoodsproject.org/ida1559).

At the same time, the *MDGs Global Monitoring Report* (April 2008) tracks the continued shortfalls (http://go.worldbank.org/J20HF0QLL0). This report is of note because it includes within the targets for poverty reduction the new agreed target of ensuring decent work for all (see Social Protection). Also, the UN Secretary-General diagnoses a 'mixed record' on the achievement of the Millennium Development Goals (MDGs) (http://www.un.org/News/Press/docs/2008/sgsm11487.doc.htm).

But whether or not there is enough money going to ODA, another issue is the *effectiveness* of existing aid. This is the topic of the Third High-Level Forum on Aid Effectiveness (http://www.accrahlf.net; www.oecd.org/development/globalforum), which is under the close observation of CSOs (e.g. http://www.betteraid.org/downloads/Policy_Paper_printed_version.pdf; http://brettonwoodsproject.org/accra60) (see also Global Social Governance section). The OECD reflects upon its role on aid effectiveness and fragmentation in its DACnews *Ideas on Aid* (http://www.oecd.org/dataoecd/11/31/40413674.pdf); a report by the Advisory Board for Irish Help (http://www.odi.org.uk/pppg/politics_and_governance/publications/GAP_Final_Synthesis.pdf) calls for better aid systems and changing Northern perspectives and practices; and the Center for Global Development assesses whether aid achieves donor goals (http://www.cgdev.org/files/15003_file_Guide_Perplexed.pdf).

There is, however, more on aid effectiveness than ODA – a Development & Cooperation (http://www.globalpolicy.org/ngos/intro/

general/2008/04superiority.htm) study examines why some non-governmental organizations (NGOs) from rich countries distribute aid to the world's poorest no more effectively than official state agencies.

REGULATION

The UN Global Compact continues to pursue its path of encouraging global business to behave in a socially responsible way through promulgating good practice with *Embedding Human Rights in Business Practice* (http://www.unglobalcompact.org/docs/news_events/8.1/EHRBP II_Final.pdf).

The OECD works on combating corruption in global business. It congratulated the *United Nations Convention against Corruption* for its important accomplishments in combating corruption (http://www.oecd.org/dataoecd/21/13/39987664.pdf); and published a report on *Bribery in Public Procurement* (http://www.oecd.org/document/60/0,3343,en_2649_37447_38446908_1_1_1_37447,00.html).

The Center for Migration Studies and the International Organisation for Migration (IOM) held a Conference on International Migration and Development in New York City (http://www.un.int/iom/Conference.html) (17–18 January). Following major intergovernmental events on migration and development (see Digest 7.3 and 8.1) this conference provided an opportunity for experts, researchers, policy makers and programme officials to critically review the outcomes, implications, and achievements of these events. The IOM also published a road map for preparation of the second Global Forum on Migration and Development (http://www.un.int/iom/IOM-HLD.html) to be held in Manilla (October 2008).

The issue of accelerated immigration to OECD countries and the fear of a brain drain is addressed in a new OECD report (http://www.oecd.org/document/27/0,3343,en_2649_37415_40110299_1_1_1_37415,00.html); see also *Migration and Remittances Factbook 2008* (http://go.worldbank.org/QGUCPJTOR0 and Health).

RIGHTS

The Human Rights Council met for its 7th meeting (http://www2.ohchr.org/english/bodies/hrcouncil/7session/index.htm). It 'welcomed' the adoption by the UN GA on 13 December 2006 of the *Convention on the Rights of Persons with Disabilities*, and 'requested' the Office of the High Commissioner to prepare a study on the issue. Critics of the Human Rights Council argue that, two years after its creation, it continues in much the same way as the Committee it replaced (http://washingtontimes.com/article/20080413/EDITORIAL/155757305/1013). The Bretton Woods Project took the session as the opportunity to call attention to greater human rights accountability of the World Bank (http://www.brettonwood-

sproject.org/art-561033). A more detailed assessment of the Human Rights Council is provided by the project www.reformtheun.org (*Development Bulletin*, Issue 245).

The UN GA in December adopted 54 resolutions and 12 decisions recommended by its Third Committee, concerning, among other things, social development, the advancement of women, and human rights (http://www.un.org/News/Press/docs/2007/ga10678.doc.htm).

International Women's Day 2008 (http://www.un.org/events/women/iwd/2008/) was themed 'Investing in Women and Girls', UN Development Fund for Women (UNIFEM) http://www.unifem.org/campaigns/csw/2008/internaional_womens_day.php) sponsored a number of events, particularly focused on financing for gender equality at the country level; the OECD launched Wikigender to promote gender equity (http://www.wikigender.org); FAO published *Women and the Right to Food* (http://www.globalpolicy.org/socecon/hunger/general/2008/women.pdf); from the Center for Global Development came a report, *Girls Count* (http://www.cgdev.org/files/15154_file_GirlsCount.pdf); and the Social Watch launched its *Gender Equity Index* (http://www.socialwatch.org/en/noticias/noticia_248.htm).

Preceding the day, the Committee of Discrimination against Women had held its 40th session (http://www2.ohchr.org/english/bodies/cedaw/cedaws40.htm); and the Commission on the Status of Women had come together for its 52nd session (http://www.un.org/womenwatch/daw/csw/52sess.htm).

Global Social Governance

The International Monetary Fund (IMF) continues to address its reform agenda. Its recent reform means that the voting share of low-income countries was increasing as a result of a tripling in IMF members' basic votes (http://www.imf.org/external/np/exr/facts/quotas.htm). The two African constituencies on the IMF Board would benefit from the appointment of a second Alternate Director (http://www.imf.org/external/pubs/ft/survey/so/2008/NEW032808A.htm). Oxfam however said that the IMF governance reform was negligible and needed to go much further (http://www.oxfam.org/en/news/2008/pr080327_IMF_reform).

A report by the IMF's evaluation arm (http://www.ieo-imf.org/eval/complete/pdf/01032008/SC_main_report.pdf) faulted the Fund's overuse of structural conditionality and partially blamed donors for the problem; but civil society critics of conditionality are not satisfied with the scope of the report or the changes accepted by the Fund (http://www.brettonwoodsproject.org/art-559953; http://www.globalpolicy.org/socecon/bwi-wto/imf/2008/0106

watchdog.htm). This is taking place as the concern about the adequacy and independence of World Bank research continues in the wake of the earlier *Deaton Report* (see Digest 7.2) (http://brettonwoodsproject.org/art-549070). It will be interesting to see what impact on Bank research thinking will follow from the appointment of Justin Yifu Lin from China as World Bank Chief Economist and Senior Vice-President for Development Economics. (http://ifis.choike.org/informes/804.html)

It was nonetheless business as usual at the IMF–World Bank Spring Meeting (http://www.imf.org/external/spring/2008/; http://go.worldbank.org/1WY1VZ2IB0). Of more interest is the related statement by global unions (http://www.union-network.org/uniindep.nsf/0/B4D9BE84B4B6B905C125740A0058ADFC?OpenDocument), welcoming the steps that some divisions of the World Bank have taken to ensure that the projects they finance do not violate core labour standards, but also contending that the Bank should adopt a coherent approach in support of decent work by ending the promotion of labour market deregulation through the retrograde labour market flexibility index of its annual *Doing Business* report (http://www.doingbusiness.org/).

At the UN member states resume talks on the future of the System-Wide Coherence Process (http://www.globalpolicy.org/reform/initiatives/panels/coherence/2008/0212future.htm). Jona von Freiesleben (http://www.centerforunreform.org/) reports that the large donor groups continued to focus on increased efficiency and accountability 'on the ground' while the G77 and NAM largely prioritized overall funding, development and governance. Several diplomats interviewed for this article feared that these opposing views could stall future progress (http://www.reformtheun.org/index.php/eupdate/3913). Progress on the ground is evidenced in Albania where the International Labour Organization (ILO) and UN deliver as one a package for social and economic progress (http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang—en/WCMS_090036/index.htm).

Meanwhile the Secretary-General stressed the Economic and Social Council's (ECOSOC) critical role in advancing the global development agenda. He promised to make every effort to ensure the success of the Council's first ever biennial Development Cooperation Forum (DCF) (New York July 2008), which was expected to become a principal mechanism for global dialogue and policy review on key development cooperation issues; and to contribute to the Conference on Financing for Development (see earlier). The Forum process could also provide stepping stones towards renewed global consensus on aid quality and architecture, including national ownership and leadership (http://www.un.org/News/Press/docs/2008/ecosoc6313.doc.htm). The South Centre's expectations of the

Development Cooperation Forum are that it will replace and become an alternative to the OECD Development Assistance Committee (DAC) and World Bank and will address wider issue of Finance for Development (http://www.southcentre.org/southbulletin/Issue11-16March.pdf; http://www.un.org/ecosoc/newfunct/dcfgpm.shtml).

This wish might be given further weight by the DAC's decision to elect Eckhard Deutscher, until recently the German Executive Director to the World Bank, to lead the Committee (http://www.oecd.org/document/16/0,3343,en_2649_33721_39924624_1_1_1_1,00.html). But of course the OECD continues to expand its membership and that of its Development Centre suggesting it will not be replaced (http://www.oecd.org/document/52/0,3343,en_2649_33731_40306292_1_1_1_1,00.html) – neither does the increasing collaboration between the World Bank and OECD (http://go.worldbank.org/WWHGUNJLQ0) and even the ILO (http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang—en/WCMS_091563/index.htm).

Further, moves continue to reform the G8. One practical way to improve the state of the world argues Tomothy Garton Ash (http://www.guardian.co.uk/commentisfree/2008/jan/24/comment.globaleconomy) is to turn G8 into G14. This might be sensible if the G8/G14 were more able to fulfil its promises – instead the *2007 Heiligendamm G8 Summit Interim Compliance Report* indicates shortcomings on delivering promises (http://www.g8.utoronto.ca/evaluations/2007compliance_interim/).

International Actors and Social Policy

HEALTH

On 21–6 January, the World Health Organiztion (WHO) Executive Board met for its 122nd session (http://www.who.int/mediacentre/events/2008/eb122/en/index.html). But more important, this year the WHO turns 60 (http://www.who.int/who60/en/index.html), and the *Alma-Ata Declaration* turns 30 – sufficient cause for returning to 'Primary Health Care: An International Conference on Primary Health Care and Health Systems in Africa', organized by a number of international and regional organizations (http://afro.who.int/phc_hs_2008/index.html). The Italian Global Health Watch prepared two reports (http://journals.sfu.ca/socialmedicine/index.php/socialmedicine/article/download/186/380;http://journals.sfu.ca/socialmedicine/index.php/social medicine/article/view/193/352n); and Jeffrey Sachs suggested 10 key steps to realise health for all in the next few years (http://www.sciam.com/article.cfm?id=primary-health-for-all-extended).

With reference to the *Alma-Ata Declaration* a report on health systems (A/HRC/7/11) (http://www2.essex.ac.uk/human_rights_centre/rth/docs/

A-HRC-7-11.doc) by Paul Hunt argues that, 'just as the right to a fair trial has been used to strengthen systems of justice, so the right to health can be used to strengthen health systems'. Equally with the aim of strengthening health systems the next applications round of the Global Fund offers some guidance notes by the WHO's Health Metrics Network (http://www.who.int/healthmetrics/tools/en/index.html). Still related to health systems, but more targeted on specific population groups are the reports by UNICEF (http://www.unicef.org/media/media_42643.html), the United Nations Population Fund (UNFPA) (http://www.unfpa.org/news/news.cfm?ID=1114), and the UK House of Commons International Development Committee (http://www.publications.parliament.uk/pa/cm200708/cmselect/cmintdev/66/66i.pdf).

Given this broad concern, it is rather surprising that the new two-year business plan for the AIDS strategy and action plan by the World Bank and UNAIDS (http://siteresources.worldbank.org/INTHIVAIDS/Resources/375798-1151090631807/BusinessPlan2008-2009Final.pdf) does not refer to health systems, while the President's Emergency Plan for AIDS Relief (PEPFAR) *2008 Annual Report to Congress* integrates that in its strategic outline (http://www.pepfar.gov/documents/organizaion/100029.pdf).

On health workers was the First Global Conference on task shifting in Addis Ababa, Ethiopia (8–10 January) (http://www.who.int/mediacentre/events/meetings/task_shifting/en/index.html); the Global Health Workforce Alliance's *First Global Forum on Human Resources for Health* in Kampala, Uganda (http://www.who.int/workforcealliance/forum/en/index.html); a joint *OECD-WHO High-Level Forum on Health Workforce and International Migration* in Geneva (March 18–19) (http://www.oecd.org/health/workforce); and a WHO videoconference discussion to launch an online forum on health workforce migration (http://www.who.int/mediacentre/events/meetings/migration_healthworker/en/index.html). Michael Clemens from the Center of Global Development and a colleague discuss medial brain drain (http://www.human-resources-health.com/content/6/1/1; see also http://www.thelancet.com; Volume 371, Number 9619, 5 April 2008).

On 1–2 April, the UN GA organized a thematic debate on the MDGs, including those on health (http://www.un.org/ga/president/62/ThematicDebates/mdgthematicdebate.shtml); as the World Bank Institute ran a course on the topic (http://go.worldbank.org/UJSUS4W6O0).

The International Finance Corporation (IFC) continues to expand its activities on health and the role of the private sector. Its strategy and approach with regard to Africa is described in a report (http://www.ifc.org/ifcext/healthinafrica.nsf/AttachmentsByTitle/IFC_HealthinAfrica_Final/$FILE/IFC_HealthinAfrica_Final.pdf) that the Bretton Woods Project is rather concerned about (http://www.brettonwoods

project.org/art-559967). Further, about US$1bn have been mobilized to strengthen health care in Africa (http://www.ifc.org/ifcext/media.nsf/content/SelectedPressRelease?OpenDocument&UNID=E9EA2F46CC97CA84852573B5005DA423); and the IFC and the World Bank are organizing five Health in Africa Forums to discuss how they can better support the health sector in sub-Saharan Africa.

Connected to Japan being the host of this year's G8 summit, the country is increasingly entering the global health stage. Amongst other things, a meeting of G8 Health Experts took place 14–15 February (http://www.g8.utoronto.ca/healthmins/health080215.html), and Japan gave a US$184m contribution to the Global Fund (http://www.theglobalfund.org/en/media_center/press/pr_080229.asp).

SOCIAL PROTECTION

Perhaps the most important development in terms of social protection in the period under review was the agreement to incorporate the target of decent work for all within the revised MDG targets goal (see also the Redistribution section). Decent work involves jobs, social dialogue, labour standards and social protection. Thus, in so far as the MDGs represent the first ever global social policy aspiration for all countries they now embody something more than targeted poverty relief for the poor. Following this up and within the context of the ILO report of the Working Party on the Social Dimension of Globalisation (http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_091548.pdf), the ILO has produced a *Toolkit for Mainstreaming Employment and Decent Work* (http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Broadcast_materials/Institutionalvideos/lang—en/docName—WCMS_090696/index.htm). In the December issue of the ILO magazine it claimed to notch up its success with a review of 10 years of its campaign to get rid of the worst forms of child labour (http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_090161.pdf). In terms of progress with decent work for women, there is a *New Report on Global Employment Trends for Women* and a panel discussion on investing in women's decent work by the ILO (http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang—en/WCMS_091011/index.htm). A World Bank contribution to the globalization and work debate can be found at the *World Bank Employment Policy Primer* (http://siteresources.worldbank.org/INTLM/214578-1103128720951/21692675/EPPNoteNo9_Eng.pdf). The OECD contributed *More than just jobs: Workforce Development in a Skills-Based Economy* (http://www.oecdbookshop.org/oecd/display.asp?sf1=identifiers&st1=842008021P1).

Decent work, as well as mainstreaming concerns about disability, was among the issues focused on at the Commission for Social Development's

46th Session (6–15 February) (http://www.un.org/esa/socdev/csd/csocd2008.htm). One resolution concerned the 'Social Dimension of African Development'. This is a theme being actively pursued by Help Age International in collaboration with the African Union (AU). The AU has organized a series of sub-regional meetings on developing a cash transfer approach to social protection (http://www.helpage.org/Researchandpolicy/Socialprotection/News/@66498). The theme of social pensions (a key element of the African campaign) was taken up at a recent World Bank-MOF-Hitotsubashi Workshop on 'Closing the Coverage Gap: The Role of Social Pensions' (http://cis.ier.hit-u.ac.jp/English/society/conferences01.html). The World Bank's position is explained in Robert Holzmann and Margaret Grosh's *Social Protection for the Poorest* (http://siteresources.worldbank.org/EXTSOCIALPROTECTION/Resources/SPforPoorest_8Feb08_Eng.pdf), and addressed in the World Bank course *The Design and Implementation of Effective Social Safety Nets* (http://go.worldbank.org/5IKBJBGLB0). For an interesting compilation of recent debates and views expressed at meetings of ECOSOC on these themes see http://www.un.org/ecosoc/docs/pdfs/07-49285-ECOSOC-Book-2007.pdf.

Looking at the internal debates within the World Bank of interest is how Anis Dani and his colleagues, who were associated with the relatively radical New Frontiers of Social Policy conference of 2005 (see Digest 6.1), are presenting their work now that they have been merged with the Infrastructure Vice Presidency (see Digest 7.3). (http://publications.worldbank.org/ecommerce/catalog/product?item_id=6387009; http://publications.worldbank.org/ecommerce/catalog/product-detail?product_id=6387094&; http://publications.worldbank.org/ecommerce/catalog/product?item_id=6386908).

SPECIAL SECTION: FOOD POLICY

Facing rising prices for food, the UN's World Food Programme in February announced a US$500m shortfall in its budget. Only one month later, the agency estimated that more than an additional US$750m would be needed to assist those they originally planned to support (http://www.wfp.org/english/?ModuleID=137&Key=2802; http://www.wfp.org/english/?ModuleID=137&Key=2797). The spring meeting of the Bretton Wood Institutions perceived hunger as threat to progress made in the developing countries. World Bank President Zoellick promoted a 'New Deal on Global Food Policy' (http://go.worldbank.org/U8PAI82X20). A World Bank Report recommends that the international community should focus more on investments in agriculture and social protection (http://siteresources.worldbank.org/NEWS/Resources/risingfoodprices_backgroundnote_apr08.pdf). For securing food supply, the Food and Agriculture Organization of the United Nations (FAO) sees

potential in supporting small farmers to raise their productivity and in investing in agriculture in rural areas (http://www.fao.org/newsroom/en/news/2008/1000823/index.html). In June, the organization will host a summit on food security, climate change and bioenergy in Rome (http://www.fao.org/newsroom/en/focus/2008/1000829/index.html).

EDUCATION

Linked to the publication of the *2008 EFA Monitoring Report*, UNESCO coordinated a global action week in April (http://portal.unesco.org/education/en/ev.php-URL_ID=56330&URL_DO=DO_TOPIC&URL_SECTION=201.html). Part of the global action week is the promotion of the *UN Convention on the Rights of Persons with Disabilities* that went into force on 3 April (see also Rights Section). Article 24 of the convention concerns the education of persons with disabilities (http://portal.unesco.org/education/en/ev.php-URL_ID=56298&URL_DO=DO_TOPIC&URL_SECTION=201.html; http://www.un.org/disabilities/default.asp?id=259).

After the successful implementation of the high school assessment programme PISA, the OECD plans a comparable programme to assess the success of adult and higher education systems, PIAAC (Programme for International Assessment of Adult Competencies) (http://www.oecd.org/els/employment/piaac). Education International has issued a statement in which it criticizes the political focus on PISA (http://www.ei-ie.org/en/article/show.php?id=73&theme=ei).

The OECD further held a major conference concerning its last tertiary education review, to sum up results and draw conclusions for policy development in fields such as steering mechanisms, and funding (http://www.oecd.org/document/9/0,3343,en_2649_39263238_35564105_1_1_1_1,00.html; http://oecd-conference-teks.iscte.pt/index.html).

Moreover, the OECD's second global forum on education was devoted to 'Improving the Effectiveness of Education Systems' and emphasized the role of the teachers. The event has been part of the organization's cooperation with non-member countries (http://www.oecd.org/site/0,3407,en_21571361_39572393_39572412_1_1_1_1,00.html).

Together with the Argentinean Ministry of Education, UNICEF has launched a national campaign for education as the right of adolescents, but also as a responsibility that they have. While the campaign is at present focussed on Argentina, it may be interesting to see whether a framing of education as responsibility will also be part of campaigns in other countries (http://www.unicef.org/media/media_43051.html).

The World Bank has published several new reports on education (http://go.worldbank.org/X6EFOG44J0); and the ILO released a report linked to questions of skills and education (http://www.ilo.org/

wcmsp5/groups/public/---ed_norm/—relconf/documents/meetingdocument/wcms_091400.pdf).

HABITAT, LAND, HOUSING

The Commission on Population and Development met for its 41st session in New York (7–11 April) under the theme of 'Population distribution, urbanization, internal migration and development' (http://www.un.org/esa/population/meetings/EGM_PopDist/EGM_PopDist.htm). Among the things discussed were follow-up actions to the recommendations of the International Conference on Population and Development. The Secretary-General issued the report *World Population Monitoring* (http://daccessdds.un.org/doc/UNDOC/GEN/N08/205/14/PDF/N0820514.pdf?OpenElement) showing that at the world level, poverty remains concentrated on rural areas, and evidence does not support the existence of a generalized 'urbanization of poverty'. On the MDGs, he sees chances for the MDG on access to safe drinking water to be met; but not on access to improved sanitation (see also http://daccessdds.un.org/doc/UNDOC/GEN/N08/210/12/PDF/N0821012.pdf?OpenElement). Another report (http://daccessdds.un.org/doc/UNDOC/GEN/N08/206/75/PDF/N0820675.pdf?OpenElement) states that 'without a firm commitment to population, reproductive health and gender issues, and the concomitant allocation of financial resources, it is unlikely that any of the goals and targets of the Conference or the Millennium Summit will be effectively met'. A contribution towards this has come from the European Commission which signed an agreement with UN-HABITAT to give 4m for poverty reduction in 90 cities (http://www.unhabitat.org/content.asp?cid=5555&catid=5&typeid=6&subMenuId=0).

For the Human Rights Council (see also Rights), Miloon Kothari the Special Rapporteur on adequate housing, as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, issued a report entitled *Promotion and Protection of All Human Rights* (http://www.hic-net.org/content/srh_eng.pdf; http://daccessdds.un.org/doc/UNDOC/GEN/G08/105/45/PDF/G0810545.pdf?OpenElement).

World Water Day (20 March) was dedicated to sanitation (http://www.unwater.org/worldwaterday/flashindex.html; see also http://go.worldbank.org/BUPBI4P5U0). Related to the problems of fresh water and sanitation, the CEO Water Mandate (Global Compact) convened an Inaugural Working Conference 5–6 March (http://www.unglobalcompact.org/NewsAndEvents/news_archives/2008_03_07.html) that, among other things, was about helping people in rural areas gain better access to clean water. Addressing the World Economic Forum in Davos, UN Secretary-General Ban Ki-moon called for more companies to join that initiative (http://www.un.org/apps/news/infocus/sgspeeches/statments_full.asp

?statID=177). However, CSOs urged the Secretary-General to withdraw his support for the CEO Water mandate (http://www.stopcorporate-abuse.org/files/pdfs/CEO%20Water%20Mandate%20Letter%20to%20Secretary%20General.pdf).

Trade and Social Policy

The UN ECOSOC convened a special high-level meeting with a focus on current global challenges in relation to the credit crisis, commodity costs, development financing and climate change. In his address UN Secretary-General Ban Ki-Moon mentioned that the rise of food prices had reached crisis proportions (http://www.un.org/News/Press/docs/2008/ecosoc6328.doc.htm; see also Food Policy).

In trade policies the general hope for achieving a deal in the Doha round has fluctuated, with food security and the credit crisis requiring increasing global concern, however, there are still expectations that an agreement could be achieved before the end of 2008, as stated by Lamy in April 2008 (http://www.wto.org/english/news_e/news08_e/tnc_17apr08_e.htm).

The UNCTAD XII meeting was held in Accra/Ghana (20–5 April). The main theme for the conference was addressing the opportunities and challenges of globalization for development, with sub-themes on (1) enhancing coherence at all levels for sustainable economic development and poverty reduction; (2) key trade and development issues; (3) enhancing and enabling the environment at all levels to strengthen productive capacity, trade and investment; and (4) strengthening UNCTAD (http://www.unctad.org). The background papers included one (TD/422) on social dimensions (http://www.unctadxii.org/en/Documents/Conference-Documents/).

The South Centre has reviewed the main issues for negotiation at the conference including the policy space of UNCTAD, good governance, migration, IPR and the focus on systemic issues related to trade and development. The G77 wants UNCTAD to have a clear mandate to work on the concept of policy space to elaborate macroeconomic policies that stress that there is no one-size-fits-all approach to development policy. However, this has been opposed by developed countries. On the good governance issue the G77 would also like to take this to the international level, whereas the developed countries wish to consider this as a developing country matter. In contrast to G77, the developed countries also consider migration and remittances to be outside the purview of UNCTAD and while the G77 would like the UNCTAD to take up broader trade, innovation and development-related aspects of intellectual property rights, this is opposed by developed countries, who consider the World Intellectual Property Organization (WIPO) as the competent forum for these matters (http://www.southcentre.org).

The WTO has issued panel reports on another round of hormone disputes between the USA and Canada and the EU (http://www.wto.org/english/news_e/news08_e/320r_321r_e.htm). While the EU claimed victory on the process it had initiated, the panel effectively sided with the US and Canadian claims that the EU's ban remained scientifically unjustified. This highlights the difficulty of addressing harmful or hazardous production practices or applying precautionary measures.

The current turmoil in financial markets may result in broader repercussions as the OECD Committee on financial markets has called for fundamental reform in financial markets and noted that the world is moving to a situation in which individuals bear more and more risks, without being necessarily able to cope with them. According to the OECD this concerns not only credit, including sub-prime mortgages, but also insurance or pensions (http://www.oecd.org/document/35/0,3343,en_2649_201185_40453027_1_1_1_1,00.html).

The IFC is expanding its trade finance programme and announced in January 2008 that it has doubled the volume of guarantees issued and the number of participating banks and countries covered in the programme (http://www.ifc.org/ifcext/media.nsf/content/SelectedPressRelease?OpenDocument&UNID=1F2A5502E26D3BF4852573D2006B875E).

In the field of intellectual property rights the work in the WHO intergovernmental working group on public health, innovation and intellectual property has continued slowly with substantial differences in views across countries (http://www.who.int). The European Commission and the USA have exerted their power on Thailand, which has issued compulsory licences on pharmaceuticals, in the form of a letter sent by Mandelson in February 2008 (http://www.actupparis.org/IMG/pdf/CAB24_0222100119_001.pdf). A timeline of the events has been compiled by the Washington University programme on information justice and intellectual property, which also includes reference to a European Commission statement that in spite of rumours it has not threatened to take Thailand to WTO dispute settlement (http://www.wcl.american.edu/pijip/documents/timeline.pdf?rd=1).

Southern Voices

Heads of State and Governments of the Economic Community of West African States (ECOWAS) agreed, at their 33rd Ordinary Summit in Ouagadougou (18 January), on a regional poverty reduction strategy and adopted the Economic of Community of West African States (ECOWAS) *Common Approach on Migration* (http://news.ecowas.int/en/presseshow.php?nb=5&lang=en&annee=2008).

While in Southern Africa the Southern Africa Trust (http://www.southernafricatrust.org) has become a significant player in Southern African

Development Community (SADC) affairs, its major achievement to date is to have won the agreement of SADC governments to the holding of the SADC International Consultative Conference on Poverty and Development (18–20 April) in Mauritius (http://www.sadc.int/conference/content/english/informationnote.htm).

In an agreement to incorporate human rights issues and work towards the establishment of the Association of Southeast Asian Nations (ASEAN) Human Rights Commission (as provided for in the newly signed ASEAN Charter), Human Rights Commissioners from four ASEAN nations held a consultative meeting in Manila (29–31 January). The meeting discussed the terms of reference for the human rights body and proposed that it should be expanded into a human rights court, including the functions of protection, promotion and monitoring (http://www.aseanhrmech.org/news/national-human-rights-commission-pledge.html).

The leaders of the six countries sharing the Mekong River in the run-up to the Third Greater Mekong Subregion (GMS) Summit in Vientiane (30–1 March) held meetings with youth and business representatives from the six GMS countries as part of the Summit's program. The GMS Leaders endorsed a comprehensive five-year *Plan of Action for GMS Development, 2008–2012*, which aims to reduce poverty, and promote human resource development for education, health, labour, and other social development areas (http://news.xinhuanet.com/english/2008-03/31/content_7892798.htm).

ASEAN Finance Ministers met on 4 April in Danang/Vietnam for their annual meeting looking for ways to cope with the soaring food and fuel prices hitting households across the region, which threaten to spark public unrest. The Ministers pledged vigilance in the fight against inflation, and resolved to maintain sound fiscal and monetary policies, while continuing to implement policies that will sustain domestic demand as an important anchor of growth (http://www.aseanaffairs.com/page/asean/finance%20ministers%20meeting%20group%20vows%20to%20be%20vigilant'%20on%20inflation).

High-impact interventions, such as HIV prevention programmes focused on key populations and antiretroviral treatment should constitute the core of the HIV response across Asia. This was the key recommendation of the independent Regional Commission on AIDS in Asia, which submitted its report on 26 March (http://www.unaids.org/en/KnowledgeCentre/Resources/FeatureStories/archive/2008/20080326_asia_commission.asp).

Ministers from Member States of the Caribbean Community (CARICOM) attended the 21st Meeting of the Community Council of Ministers in Barbados (8 February) and were reminded that as the Community's second highest decision-making body with the primary responsibility for community development, planning and coordination they commanded a

determining influence on the development of the entire Community. Secretary General of CARICOM Edwin Carrington, said that issues of cost of living, expansion of the categories of skilled nationals eligible for free movement within the Community, the work of the Caribbean Commission on Youth and Development, implementation of the Declaration of Port of Spain with respect to non-communicable diseases and the effects of the Economic Partnership Agreement (EPA) initiated between the Region and Europe were issues that required 'the most profound consideration in determining the best course of action in the interest of improving the quality of life of our citizens' (http://www.caricom.org/jsp/pressreleases/pres31_08.jsp).

At the conclusion of its three-day session in Georgetown/Guyana (19 March), the Twelfth Special Meeting of the Council for Human and Social Development (COHSOD) of CARICOM handed out a 20-point declaration entitled *Building a Region Fit for Children*, which would guarantee the right of every Caribbean child to survival, development, protection, dignity and participation within the Caribbean Community. COHSOD also seeks to commit Member States to establish effective mechanisms to improve the quality of and access to early childhood care and protection (http://www.caricom.org/jsp/pressreleases/pres68_08.jsp).

Calendar of Upcoming Events 2008

September

2–4	Third High-Level Forum on Aid Effectiveness, Accra, Ghana
8–26	Human Rights Council 9th session, Geneva, Switzerland
22	UN High-Level Session on Africa's Special Development Needs

October

13	2008 Annual Meetings of the World Bank Group and the IMF, Washington, DC
29–30	Global Forum on Migration and Development, Manila, Philippines

November

3–21	Committee on Economic, Social and Cultural Rights 41st session, Geneva, Switzerland
3–7	World Urban Forum 4th session, Nanjing, China
29–2 December	International Conference on Financing for Development, Doha, Qatar

Global Social Policy

An Interdisciplinary Journal of Public Policy and Social Development

AIMS AND SCOPE

Global Social Policy is a fully peer reviewed journal that advances the understanding of the impact of globalization processes upon social policy and social development on the one hand, and the impact of social policy upon globalization processes on the other hand. The journal analyses the contributions of a range of national and international actors, both governmental and non-governmental, to global social policy and social development discourse and practice.

Global Social Policy publishes scholarly policy-oriented articles and reports that focus on aspects of social policy and social and human development as broadly defined in the context of globalization, be it in contemporary or historical contexts. The Editors welcome articles and contributions from a variety of disciplines, fields of study that address social issues, politics and policies using a global and transnational analytical framework. The Editors welcome articles and contributions from a wide range of theoretical and political perspectives.

The Editors welcome articles addressing the subject through a focus on: international intergovernmental organisations and fora (e.g. UN, OECD, World Bank, IMF, G7/8, WTO); world-regional intergovernmental institutions and groupings (e.g. EU, NAFTA, ASEAN, MERCOSUR); transregional groupings (e.g. ASEM); transnational non-govermental organisations and movements (e.g. civil society/social/labour movements, NGOs, consultancy companies, think tanks, private sector welfare providers, TNCs); transnational movements of capital, people, ideas and policies; national and sub-national policies (in terms of the impact on social welfare and well-being of international development assistance, international economic activity and other transnational global processes). The journal aims to contribute to the formation of global social policy in the interests of social equity, social justice and social well-being within and between countries and social groups.

Global Social Policy is multidisciplinary, publishing work from all disciplines, including anthropology, economics, history, law, political science, and sociology. The Journal also publishes work from a wide variety of fields of study including: childhood studies, criminology, cultural studies, demography, development studies, education studies, 'race' and ethnicity studies, food studies, gender studies, health studies, housing studies, labour studies, labour market studies, international relations, international socio-legal studies, migration studies, policy studies, political economy, refugee studies, regional studies, social gerontology, social security (protection) studies, social work, social policy and urban studies. The journal is designed to appeal to scholars in the disciplines and fields mentioned above, policy-makers and professionals involved in government and international governmental organizations, members of NGOs and social movements, as well as international consultants in social development and social policy. It is important to stress that the journal serves both academic, policy-making and policy advocacy audiences.

NOTES FOR CONTRIBUTORS

1. Papers should be written in English.

2. Papers should not have been published already, nor be currently under consideration elsewhere. Please attach to every submission a covering letter confirming that all authors have agreed to the submission and that the article is not currently being considered for publication by any other journal.

3. Authors should submit one electronic version of their manuscript, numbered throughout and dated, with a covering letter, preferably as an email attachment in Microsoft Word. If asked to revise their paper in light of referees' comments, authors will again be asked to submit an electronic version with a covering letter. If necessary, authors may choose to submit a hard copy of their manuscript to our Editorial Office.

4. Papers should be as short as is consistent with clear presentation of subject matter; 8500 words, including footnotes and references, is a useful maximum. The title should indicate exactly, but as briefly as possible, the subject of the paper. An abstract of 100–150 words should precede the main text, accompanied by up to 5 key words and a bibliographical note of 50–100 words.

5. Papers must be typed in double spacing *throughout (especially all notes and references)* with generous margins on all sides, but without justification. All pages should be numbered.

6. All relevant papers submitted to *Global Social Policy* are subject to blind peer review. *Global Social Policy* operates a rigorous double-blind peer review process in which the identity of both the reviewer and author are always concealed from both parties.

7. *Global Social Policy* endorses the guidelines provided by the British Sociological Association for non-sexist and non-racist language.

8. *Titles and section headings* should be clear and brief with a maximum of three orders of heading. American or UK spelling may be used, to the author's preference. Use single quotation marks. Dates should be in the form 9 May 1994. Take out points in USA and other such abbreviations.

9. *Tables and figures* should have short, descriptive titles. All footnotes to tables and their source(s) should be typed below the tables. Column headings should clearly define the data presented. Tables/figures should be sent as a separate electronic file. Artwork intended for same-size use should be a maximum size of 188:113 mm (page depth: page width). Line diagrams can also be presented as camera-ready copy on glossy paper (b/w, unless to be reproduced – by arrangement – in colour) but preferably as EPS files (all fonts embedded) or TIFF files, 800 dpi – b/w only. For scanning, photographs should preferably be submitted as clear, glossy, unmounted b/w prints with a good range of contrast or on disk as TIFF files, 300 dpi.

10. *References.* When referring to a source whose name is in the text, use only the author's name, with year of publication in brackets, e.g., Young (1989) argues… . If the author's name is not in the text, include both the author's name and year of publication separated by a comma within brackets, e.g., (Young, 1989). Pagination follows year, e.g., (Young, 1989: 140). With dual publication, give both names, e.g., (Murphy and Fischer, 1983); for three, four or five authors, cite all authors the first time the reference appears in the text, and in subsequent citations, include only the surname of the first author followed by et al., e.g., (Ruberman et al., 1984); when a work has six or more authors, cite only the surname of the first author followed by et al. If there is more than one reference to the same author and year, distinguish between them by use of the letters a, b etc. after the year of publication, e.g., (Parsons, 1951a). A series of references should be enclosed within a single pair of brackets, separated by semicolons, e.g., (Cohen, 1988; Cohen and Wills, 1985; Payne and Jones, 1987).

All references cited in the text should be listed alphabetically and presented in full at the end of the article using the following style:

Alonzo, A.A. (1979) 'Everyday Illness Behavior: A Situational Approach to Health Status Deviations', *Social Science and Medicine* 13(3): 397–404.

Charmaz, K. (1991) *Good Days, Bad Days: The Self in Chronic Illness and Time.* New Brunswick, NJ: Rutgers University Press.

Kaufert, P.A. and McKinlay, S.M. (1985) 'Estrogen-replacement Therapy: The Production of Medical Knowledge and the Emergence of Policy', in E. Lewin and V. Olesen (eds) *Women, Health and Healing: Toward a New Perspective* (pp. 213–234). New York: Tavistock.

Pollack, M. (ed.) (1992) *AIDS: A Problem for Sociological Research.* London: Sage.

Articles that do not conform to the fundamentals of this style will be returned to the authors for revision.

11. *Notes.* Authors should use endnotes, not footnotes. Endnotes should be written in plain text, *without* embedded endnote formatting. Whenever possible, endnotes are to be kept to a minimum.

12. *Quotations.* Lengthy quotations (of more than 40 words) should be displayed, indented, without the use of quotation marks. References to sources should be given at the end of the quotation, with the author's name and year of publication in brackets. Shorter quotes should be retained within the body of the text, within single quotation marks. Double quotation marks should only be used for a quotation within a quotation.

13. Following acceptance of the paper for publication, authors will be asked to provide the final version of their paper preferably as an email attachment in Microsoft Word. The paper must be clearly labelled with the date, title, author name and full contact details (including postal address, telephone and fax details if applicable).

14. Authors will receive proofs of their articles. Upon publication authors will receive electronic offprints of their article and a complimentary journal copy. A maximum of 5 journal copies will be supplied for multi-authored articles, these will be supplied to the coresponding author for distribution.

15. *Copyright.* On acceptance of their paper for publication authors will be requested to assign copyright to Sage Publications, subject to retaining their right to reuse the material in other publications written or edited by themselves and due to be published preferably at least one year after initial publication in the journal. Authors are responsible for obtaining permission from copyright holders for reproducing any illustrations, tables, figures or lengthy quotations previously published elsewhere.

16. *Typescripts.* Authors should retain a copy of their typescript and send an electronic copy as a Word document, prepared in accordance with these guidelines, fully numbered and legible, with all figures and tables and a covering letter to: Kara Vincent, *GSP* Managing Editor at:
gsp@mcmaster.ca

If electronic submission of your manuscript is not possible, a hard copy version may be sent to **Kara Vincent at: Institute on Globalization and the Human Condition, McMaster University, 1280 Main Street West, Hamilton, Ontario, Canada, L8S 4M4.** While it is *strongly* encouraged that all authors submit their manuscripts to the Managing Editor, manuscripts may also be sent to our Regional Editors.

Authors submitting manuscripts from South Asia may choose to submit their material to: Rama Baru, GSP South Asian Regional Editor, Jawaharal Nehru University, School of Sciences, Centre of Social Medicine and Community Health, New Delhi 110067, India, email: rbaru2002@yahoo.co.uk

From Africa: Adebayo Olukoshi, GSP African Regional Editor, CODESRIA, B.P. 3304, Dakar, Senegal, email: adebayo.olukoshi@codesria.sn

From East Asia: Huck-ju Kwon, GSP East Asian Regional Editor, Graduate School of Public Administration, 599 Gwanak-ro, Gwanak-gu, Seoul, 151-742, Korea, email: hkwon4@snu.ac.kr

From Latin America: Rosalía Cortés, GSP Latin American Regional Editor, FLACSO-CONICET, Ayacucho 551, Buenos Aires, Argentina, email: rcortes@fibertel.com.ar

Authors interested in submitting a review essay to *Global Social Policy* may contact the Reviews Editor to request guidelines for submission. *Global Social Policy* encourages authors with ideas for book review essays to discuss their feasibility before beginning or submitting a review. Contact S. Akbar Zaidi: GSP Reviews Editor, TP-3, Block B, Fourth Floor, Mall Square, Zamzama Boulevard, DHA Phase 5, Karachi, Pakistan, email: azaidi@fascom.com

Authors wishing to view guidelines for Specal Issue Proposals, Review Essays, or Forum Contributions may contact the Managing Editor at gsp@mcmaster.ca.

PEER REVIEW

Global Social Policy adheres to a rigorous double-blind reviewing policy in which the identity of both the reviewer and author are always concealed from both parties.

VOLUME 8 NUMBER 2 AUGUST 2008

global social policy

CONTENTS

http://gsp.sagepub.com

SAGE
Los Angeles•London•New Delhi•Singapore
www.sagepublications.com

1468-0181(200808)8:2;1-A